

CITY OF SOUTH JORDAN
STATE OF UTAH

Comprehensive Annual Financial Report
For the Year Ended June 30, 2004

Prepared by:
City of South Jordan, Division of Finance

Larry Ipson
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CITY OF SOUTH JORDAN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



SOUTH JORDAN

U T A H

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December 28, 2004
The Honorable Mayor and
Members of the City Council
South Jordan City, Utah:

Re: Finance Officer's transmittal letter and report on financial statements.

The Comprehensive Annual Financial Report (CAFR) of the City of South Jordan (the City) for the fiscal year ended June 30, 2004, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City issue a report on its financial position and activity, and that this report be annually audited by an independent firm of certified public accountants. We believe the information, as presented, is accurate in all materials aspects, and is presented in a manner designed to set forth fairly, in all material respects, the financial position and results of operation of the City as measured and reported by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an adequate understanding of the City's financial affairs have been included.

This CAFR has been prepared by the City of South Jordan Finance Division. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

This CAFR is presented in three main sections:

1. *The Introductory Section*, which includes this letter of transmittal, the City's organizational chart, and a listing of City officials.
2. *The Financial Section*, which includes the independent auditor's report, MD&A, the basic financial statements, and supplementary information which includes schedules for individual funds.
3. *The Statistical Section*, which provides a history of selected financial and demographic information.

The City is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the IS Office of Management and Budget's Circular 1-133, Audits of State and Local Government.

The financial reporting entity (The City) includes all of the funds of the primary government (i.e., the City as legally defined), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the South Jordan Redevelopment Agency is reported as a special revenue fund, and the Municipal Building Authority, is reported as a capital projects fund.

Mayor-William Kent Money
Council Member-Ann Gayheart
Council Member-Bradley G. Marlor
Council Member-David W. Colton
Council Member-Leona Winger
Council Member-Mary Wenner



City Manager-Ricky A. Horst

GOVERNMENTAL STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

Governmental Structure

Under the city manager form of government, by ordinance, legislative powers are vested in a governing body, consisting of a Mayor and five members of a City Council. The government is empowered to levy a property tax on both real and personal property located within its boundaries. The Council Members are elected by district and serve staggered four-year terms. They are assisted by a City Manager who is responsible for establishing and implementing City policies, carrying out the ordinances of the City Council, and overseeing the day-to-day operations of the government.

The City provides the full range of municipal services normally associated with a municipality. In brief, the general governmental functions include police and fire protection; park construction and maintenance; street construction and maintenance; public improvements; engineering; building inspection; planning and zoning; and administrative services. The City also operates water and waste collection as enterprise funds.

Economic Condition and Outlook

The City of South Jordan, incorporated in 1935, is located in the southern part of the Salt Lake valley. The City is a rapidly growing suburban community encompassing 21.8 square miles. The City's population is approximately 39,500. This represents an increase of 6.5 percent over the previous year. We anticipate the increase in South Jordan's population will continue.

The increase in population has placed increased demands on services, but the City has adopted a conservative approach to the expansion of various public services. The general philosophy of the City is that increased revenues from existing taxes and other revenue sources must provide the base for the expansion of public expenditures. As demonstrated over the past several years, the City is committed to this philosophy.

Following statewide trends, South Jordan experienced significant, positive economic growth during FY 03-04. The City's sales tax revenues increased just over 14 percent from the previous year. This statistic is indicative of the City's efforts to expand its sales tax base. The growth in population as well as sales tax revenue is expected to continue to increase for the foreseeable future.

MAJOR INITIATIVES

The government's staff, following specific directives of the City Council and Mayor, have been involved in a variety of projects throughout the year. These projects reflect the government's commitment to ensuring that the citizens of South Jordan are able to live and work in a desirable environment. During the fiscal year 2003-04, the City had several significant projects. Some of these projects are listed below:

1. Mulligan's Golf and Games. During the year, the City purchased Mulligan's Golf and Games; a 66 acre recreation facility which includes a par-3 golf course, an executive golf course, miniature golf, driving range, and batting cages. The City will also make improvements to Mulligan's miniature golf course and driving range.
2. City Recreation Center. The City's aquatic fitness center is scheduled to be completed during January 2005. This 66,000 sq ft facility includes a large indoor pool, two gymnasiums, dance studio, aerobic room, indoor track, strength and conditioning area, and cardio area.
3. Culinary Water System Upgrade. The City began work on a \$23 million culinary water project. This project will make significant improvements to the City's culinary water system.
4. Prospector Park. Prospector Park will be a 3.2 acre park with a playground, pavilion, as well as basketball and volleyball courts.
5. Oquirrh Shadows Park. This will be a 19.5 acre park with a pavilion and playground. The park will also contain multi-purpose sports fields with concession stands.
6. Jordan-Ridge Park. This park will be 10.6 acres and will include tennis, volleyball, and basketball courts. The park will also have 4 picnic pavilions and a playground.
7. Ice Rink. A 24,600 sq ft ice rink is planned for the area just south of City Hall. The area will be used for ice skating in the winter, and a water fountain area in the summer.

8. Skate Park. A 15,092 sq ft skate park is scheduled to be completed by January 2005. The park will contain varying degrees of difficulty and will provide grass areas for spectators.

The City Council recognizes the need to develop the City's economic base in order to provide the necessary services, i.e., recreation, roads, water, etc. to its citizens. Efforts are being made by the City to attract new sales tax generating businesses and to promote the type of activities that will enhance the quality of life in the community.

The City currently has nine redevelopment areas (RDA's). These areas are formed with the intent of encouraging new development within the City. During the year, several new office and retail areas were either built or expanded; including the office buildings and the Jerry Seiner Hummer dealership. Future development in RDA's will include retail stores, restaurants, an ice skating rink, a Salt Lake County library, a Walmart, and a Sam's Club.

One RDA located on Bangerter and 11400 South contains an area known as "The District." This area will include a 24-screen movie theatre, a Target department store, as well as other business such as banks, restaurants, and grocery stores. The City will continue to encourage development through the use of redevelopment areas.

South Jordan City's future development plans include the addition of a 4,126 acre planned community called Daybreak. The major mixed-use residential, retail, and office development is located on the west side of South Jordan, roughly bordered by 4000 West, 10200 South, 11800 South and the proposed Legacy Highway (5600 West – 6000 West). The Daybreak development will add over 13,600 residential homes and 9.1 million square feet of commercial space. Nearly one-third of Daybreak will be reserved for open space. The development will also include areas for hiking, biking, sports fields, and a lake. Daybreak began selling lots during June 2004.

FINANCIAL INFORMATION

South Jordan's financial statements reflect the rapid growth of the City. The balance in the City's General Fund decreased by \$366,757 during the fiscal year to end with a balance of \$3,430,196. This amount represents an increase of \$2,690,454 from five years ago. During the same five-year period, the City's governmental funds revenues increased from \$11,425,884 to \$24,834,793, and expenditures increased from \$11,792,716 to \$27,950,132. Growth in proprietary funds has increased during this period as well. Proprietary funds' revenues increased from \$4,967,305 to \$8,905,609 since fiscal year 1999 while operating expenses rose from \$3,841,516 to \$6,881,457.

As a recipient of federal, state and local financial assistance, the government is also responsible for ensuring that adequate internal control structure is in place and to document compliance with applicable laws and regulations related to these programs. This internal control structure is subject to periodic evaluations by Administration. The audit for the fiscal year ended June 30, 2004, disclosed no material internal control weaknesses or material violations of laws and regulations.

In addition, the government maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds and capital projects fund are included in the annual appropriated budget. The level of budgetary control (i.e., the level where expenditures cannot legally exceed the appropriate amount) is at the department level within each fund.

As demonstrated by the statement included in financial section of this report, the government continues to meet its responsibility for sound financial management.

Cash Management

The City Treasurer focuses on safety, liquidity and yield of investment. The highest priority of cash management and investments is to ensure adequate funds are available to meet City obligations and that all investments are in safe instruments. Yield, while important, is considered third priority after safety and liquidity. All City funds are invested in accordance with the guidelines established by the Utah Money Management Act and in institutions approved by the Utah State Treasurer's Office.

Risk Management

The City is exposed to a variety of accidental losses and has established a risk management strategy that attempts to reasonably minimize losses and the carrying cost of insurance. Risk control techniques have been established to provide reasonable assurance that the City's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned, or under the control of the City. Furthermore, supervisory personnel are held responsible for monitoring risk control techniques on an operational basis.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit by independent certified public accountants. The firm of Gilbert & Stewart was selected by the City Council to perform this audit. This audit was designed to meet the requirements set forth in the Utah State statutes. Generally accepted auditing standards and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditor's report on the general purpose financial statements and combining report on the general purpose financial statements and combining and individual fund statements are included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can also be found after the statistical section.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of South Jordan for its CAFR, for the fiscal year ended June 30, 2003. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial report.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

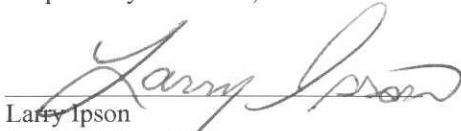
A Certificate of Achievement is valid for a period of one year only. The City has received a Certificate of Achievement for the past eighteen years. We believe our current report continues to meet the Certificate of Achievement Program requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

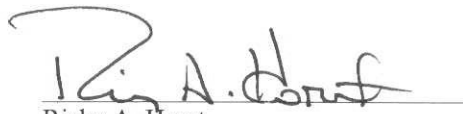
Acknowledgments

We would like to thank the City Council and the Mayor for their interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efforts and dedication of the City Staff. We would like to express our appreciation to our staff and other personnel from various agencies and authorities who assisted in its preparation.

Respectfully submitted,


Larry Ipson
Budget Officer/Treasurer


Ricky A. Horst
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of South Jordan,
Utah

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



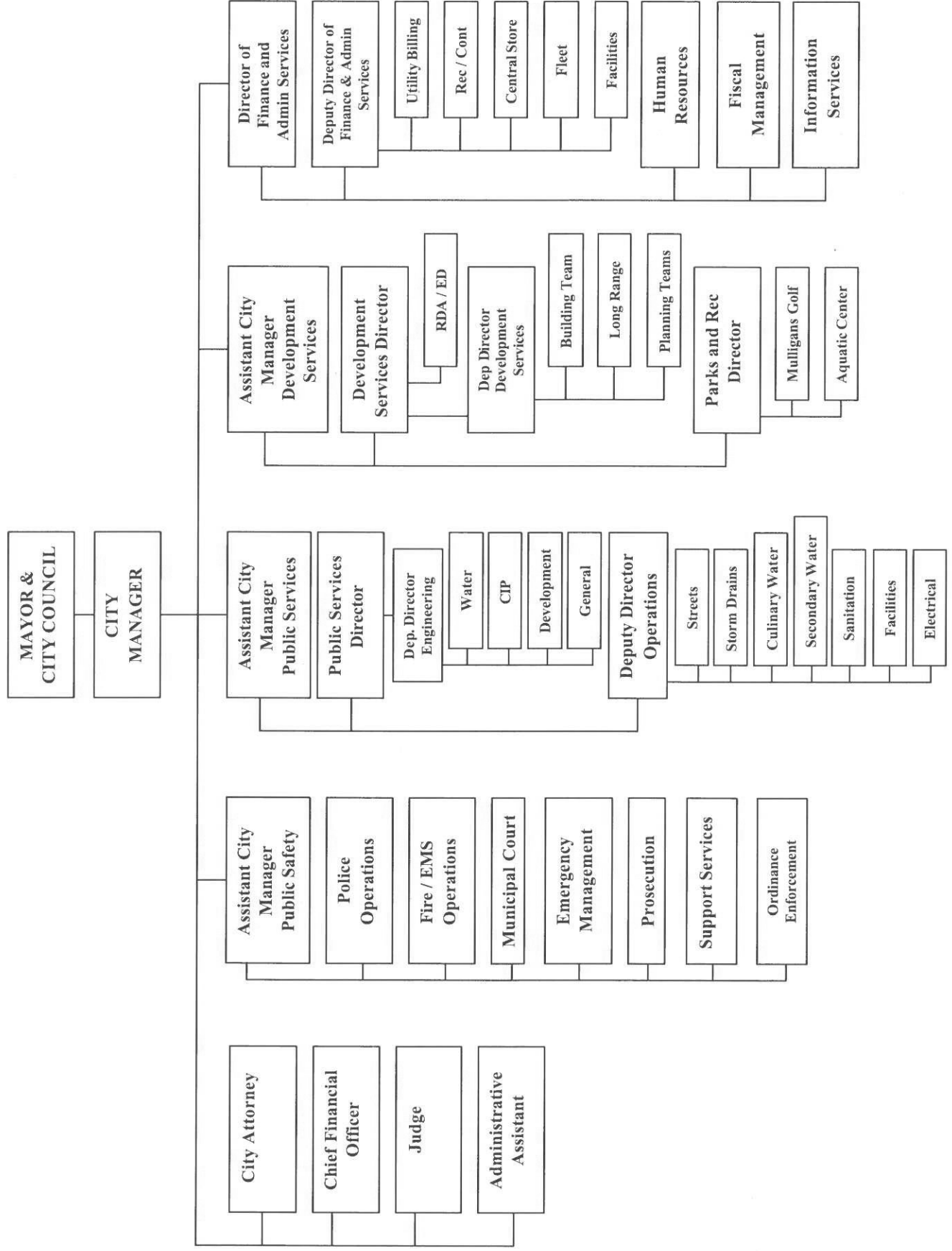
Nancy L. Ziehl

President

Jeffrey R. Emer

Executive Director

SOUTH JORDAN CITY ORGANIZATION CHART



CITY OF SOUTH JORDAN
List of Elected and Appointed Officials
June 30, 2004

Elected Officials

Mayor	William Kent Money
Council Member	David W. Colton
Council Member	Ann Gayheart
Council Member	Bradley G. Marlor
Council Member	Mary Wenner
Council Member	Leona Winger

Appointed Officials

City Manager	Ricky A. Horst
Assistant City Manager - Public Safety	Lindsay D. Shepherd
Assistant City Manager - Public Services	I. Robert Wall
Assistant City Manager - Development Services	Gary L. Whatcott
Municipal Court Judge	Clinton E. Balmforth
City Attorney	John H. Geilmann
Chief Financial Officer	Larry N. Ipson

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FINANCIAL SECTION



SOUTH JORDAN

U T A H

GILBERT & STEWART
CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

RANDEL A HEATON, C.P.A.
LYNN A. GILBERT, C.P.A.
JAMES A. GILBERT, C.P.A.
BEN H PROBST, C.P.A.

SIDNEY S. GILBERT, C.P.A.
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of South Jordan, Utah

December 4, 2004

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan, Utah (City) as of and for the year ended June 30, 2004, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.


In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of South Jordan as of June 30, 2004, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have issued a report dated December 4, 2004 on our consideration of the City of South Jordan's internal control structure over financial reporting and on our test of its compliance with certain laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United

States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Jordan's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in cursive script, appearing to read "Gilbert & Stewart".

GILBERT & STEWART
Certified Public Accountants

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CITY OF SOUTH JORDAN, UTAH MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of South Jordan, we offer readers of the City's financial statement this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on page 3 of this report.

FINANCIAL HIGHLIGHTS

- The total net assets of the City of South Jordan increased 13.06% to \$134,517,587. This is made up of \$100,510,965 in capital assets net of related debt and \$34,006,622 in other net assets.
- As of June 30, 2004 the City's governmental funds reported a combined fund balance of \$19,877,360. This represents a 4.00% increase from the previous year.
- The City's General Fund balance as of June 30, 2004 is \$3,430,196. This is a decrease of \$366,757 from last year's balance of \$3,796,953. Utah State Law allows that any balance in excess of 5% of the total estimated revenues may be utilized for budget purposes. The maximum fund balance allowed is 18% of estimated revenues. The maximum and minimum unreserved fund balance accumulations are \$767,230 and \$2,762,027. Since the City exceeded the 18% limit in this fiscal year, they have one year to budget the excess amount. The City has budgeted the excess fund balance to be spent during fiscal year 2004-2005.
- The City's long-term liabilities increased by \$34,944,894 from the previous year. The key factors in the increase in long-term debt are listed below:
 1. The issuance of \$22,480,000 in water revenue bonds. These funds will be used to provide significant upgrades to the City's culinary water system.
 2. The issuance of \$12,500,000 in lease revenue bonds. These funds were used to purchase Mulligan's, an existing recreation facility. The facility consists of a golf course, miniature golf, driving range, and batting cages.

REPORT/OVERVIEW

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether financial position of the City is improving or deteriorating. However, you will also need to consider other nonfinancial factors.

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The government-wide financial statements can be found on pages 29-31 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental Funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental activities and governmental funds in a reconciliation included with the fund financial statements.

The City maintains thirteen individual governmental funds. The following three new special revenue funds were established by the City during the year:

- **Storm Drain Fund.** The revenue received is from a monthly fee charged to each utility account within the City. Expenditures are made to maintain the City's storm drain system.

- **Street Lighting Fund.** The revenue source for this fund is also a monthly fee charged to each utility account within the City. Expenditures are made to pay for electricity and maintenance of the City's street lights. Funds are also used to install new street lights in the City.
- **Recreation Programs Fund.** This fund is used to track revenue and expenditures dealing with the City's sports and recreation programs.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, Redevelopment Agency, Municipal Building Authority, and Construction, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is elsewhere in this report.

The basic governmental fund financial statements can be found on pages 32-40 of this report.

Proprietary Funds – The City maintains one type of proprietary fund, which is an enterprise fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sanitation operation, both of which are considered to be major funds of the City.

On June 29, 2004, the City purchased an existing recreation facility called Mulligan's. This facility, which includes a golf course, driving range, miniature golf, and batting cages, will be operated as an enterprise fund. Since the City did not take over operation of the facility until July 1, 2004, the fund shows no activity during fiscal year 2003-2004.

The basic proprietary fund financial statements can be found on pages 41-44 of this report.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 45 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* as well as a statistical section to give additional and more detailed information to the reader. The supplemental section includes individual fund financial statements for the City's nonmajor funds mentioned earlier. The statistical section gives various financial and demographic data of the City, including trend analysis for certain financial data. The supplementary section begins on page 73, and the statistical section begins on page 93.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of South Jordan, assets exceeded liabilities by \$134,517,587 as of June 30, 2004.

By far the largest portion of the City's net assets (75.63%) reflects its investments in capital assets (e.g., land, buildings, machinery, and equipment, improvements, construction in progress and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The following table summarizes the City's Net Assets.

CITY OF SOUTH JORDAN'S NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 36,608,601	\$ 34,418,887	\$ 27,655,948	\$ 4,823,615	\$ 64,264,549	\$ 39,242,502
Capital assets	106,474,669	96,356,288	55,059,705	36,764,756	161,534,374	133,121,044
Total assets	143,083,270	130,775,175	82,715,653	41,588,371	225,798,923	172,363,546
Long-term debt outstanding	40,951,671	40,675,288	38,736,686	4,068,175	79,688,357	44,743,463
Other liabilities	9,435,235	7,628,931	2,157,744	1,014,912	11,592,979	8,643,843
Total liabilities	50,386,906	48,304,219	40,894,430	5,083,087	91,281,336	53,387,306
Net assets						
Invested in capital assets, net of related debt	65,340,150	56,161,273	35,170,815	33,564,755	100,510,965	89,726,028
Restricted	7,371,459	6,379,589	1,843,649	899,710	9,215,108	7,279,299
Unrestricted	19,984,755	19,930,094	4,806,759	2,040,819	24,791,514	21,970,913
Total net assets	\$ 92,696,364	\$ 82,470,956	\$ 41,821,223	\$ 36,505,284	\$ 134,517,587	\$ 118,976,240

An additional portion of the City's net assets (6.85%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets (\$24,791,514) may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2004, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2004. Net Assets for governmental activities increased by \$10,225,408, which is a decrease of \$447,840 from the previous year. Business-type activities increased by \$5,315,939 which represents an increase of \$3,334,149 from the previous year.

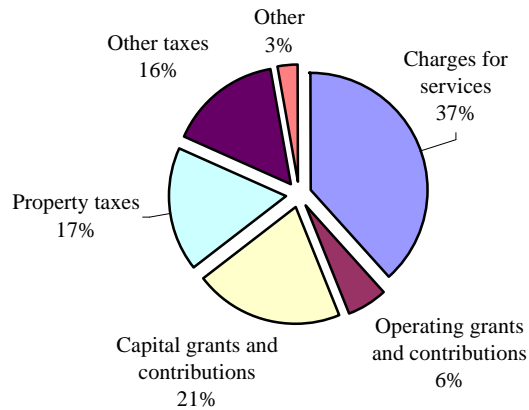
CITY OF SOUTH JORDAN'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues						
Program revenues:						
Charges for services	\$ 11,951,089	\$ 11,875,494	\$ 11,066,695	\$ 7,542,543	\$ 23,017,784	\$ 19,418,037
Operating grants and contributions	1,727,810	1,283,685	-	-	1,727,810	1,283,685
Capital grants and contributions	6,483,571	7,470,000	2,392,023	953,498	8,875,594	8,423,498
General Revenues:						
Property taxes	5,334,058	4,738,967	-	-	5,334,058	4,738,967
Other taxes	4,877,572	4,606,487	-	-	4,877,572	4,606,487
Other	879,795	710,279	8,422	4,722	888,217	715,001
Total revenues	31,253,895	30,684,912	13,467,140	8,500,763	44,721,035	39,185,675
Expenses:						
General Government	6,930,113	7,492,020	-	-	6,930,113	7,492,020
Public Safety	6,026,263	5,542,688	-	-	6,026,263	5,542,688
Public Works	4,943,240	4,333,696	-	-	4,943,240	4,333,696
Parks and Public Property	1,379,091	1,379,040	-	-	1,379,091	1,379,040
Interest on Long-Term Debt	2,007,526	1,650,566	-	-	2,007,526	1,650,566
Water	-	-	6,586,729	4,948,342	6,586,729	4,948,342
Sanitation	-	-	1,306,726	1,184,285	1,306,726	1,184,285
Total Expenses	21,286,233	20,398,010	7,893,455	6,132,627	29,179,688	26,530,637
Increase (decrease) in net assets before transfers	9,967,662	10,286,902	5,573,685	2,368,136	15,541,347	12,655,038
Transfers	257,746	386,346	(257,746)	(386,346)	-	-
Increase in net assets	10,225,408	10,673,248	5,315,939	1,981,790	15,541,347	12,655,038
Net assets, beginning	82,470,956	71,797,708	36,505,284	34,523,494	118,976,240	106,321,202
Net assets, ending	\$ 92,696,364	\$ 82,470,956	\$ 41,821,223	\$ 36,505,284	\$134,517,587	\$118,976,240

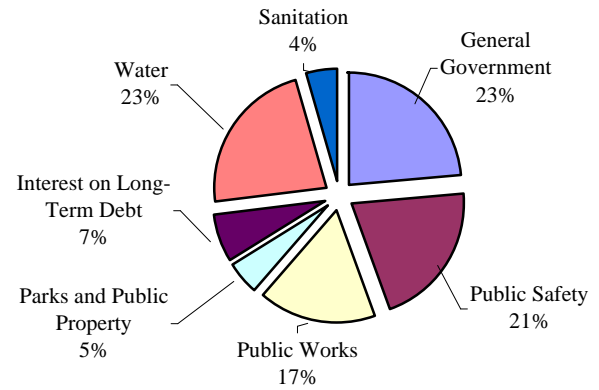
The City's primary source of general revenue is property taxes. The operating grants are made up primarily of public safety for the police and fire departments. Capital grants consist primarily of donated infrastructure assets.

The two graphs on the following page display South Jordan's government-wide revenues and expenses for the fiscal year ended June 30, 2004.

Total Revenues
Government-Wide Operations
of the City of South Jordan

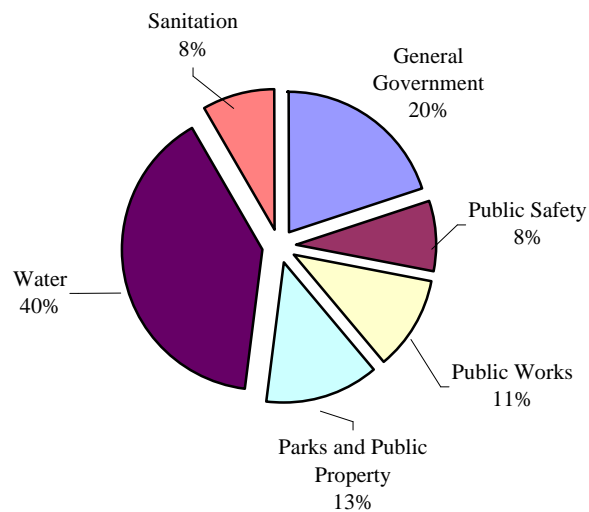


Total Expenses
Government-Wide Operations
of the City of South Jordan



The following graph displays details of the City's charges for services for the fiscal year ended June 30, 2004.

Charges for Services by Source
for the City of South Jordan



Financial Analysis of Government's Funds

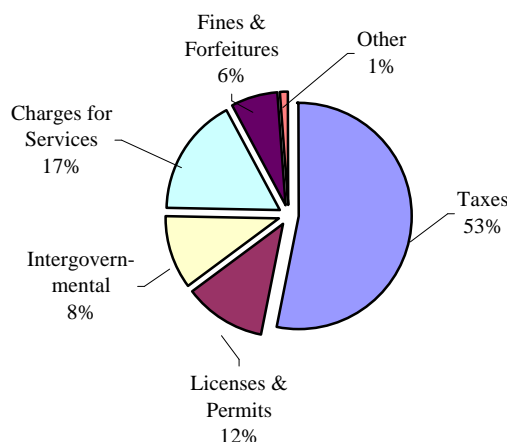
Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2004, The City's governmental funds (General, Capital Projects, Debt Service, & Special Revenue) reported combined fund balances of \$19,877,360. This represents an increase of \$764,921 over last year's ending balances. Approximately 62% of the total fund balance (\$12,253,504) constitutes *unreserved fund balance*. This includes \$5,781,184, which is not reserved but is designated to be used for capital projects within the City. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay for debt service, 2) to pay for capital projects funded by impact fee revenue, 3) or for a variety of other restricted purposes.

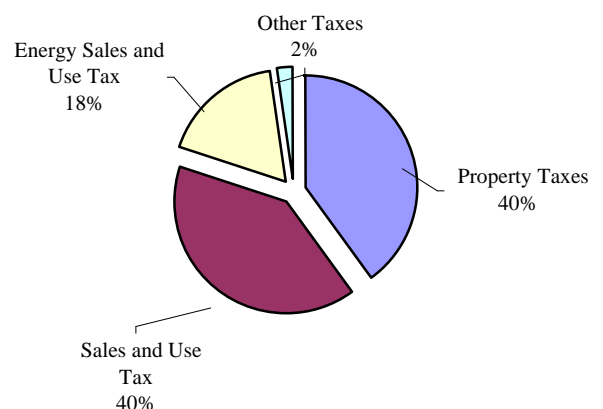
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses is accounted for in the fund. Expenditures exceeded revenues in the General Fund by \$366,757 during the year

Taxes continue to be the largest source of revenue in the General Fund and represent 53% of total general fund revenues. The largest element of taxes is sales tax and property tax. They each represent 40% of total tax revenues and represent 21% of total general fund revenues. This compares with 18% in the prior fiscal year ended June 30, 2003.

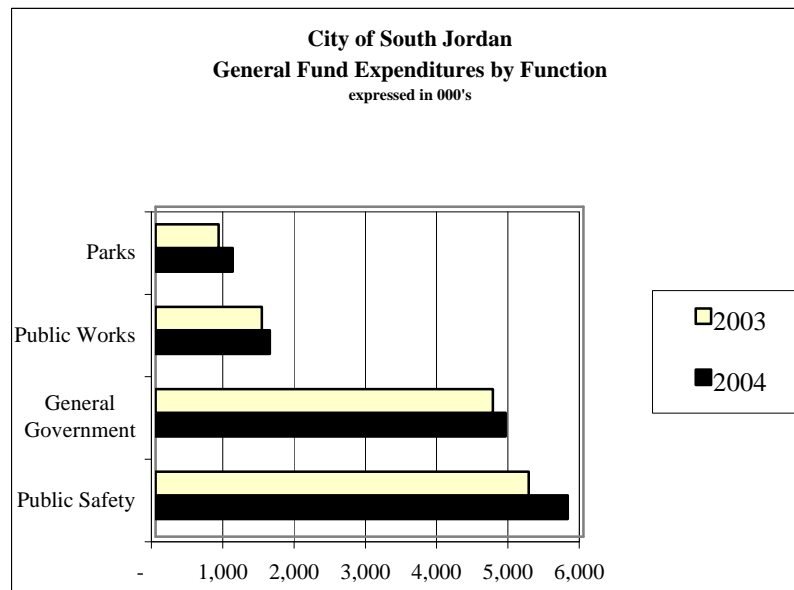
**City of South Jordan
General Fund Revenue by Source**



**Tax Revenue by Type
for the City of South Jordan**



General Fund expenditures increased from \$12,339,237 in 2003 to \$13,371,481 in 2004. This represents an 8.37% increase. The increase in expenditures is fairly consistent throughout all departments and is an indication of the rapid growth of the City, which results in greater needs for the City's citizens. The chart below compares general fund expenditures between 2003 and 2004.



Enterprise Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net assets of the Water fund at the end of the year amounted to \$3,308,295. This represents an increase of \$2,461,592 from the previous year. Unrestricted net assets of the Sanitation fund decreased from \$1,194,116 to \$1,157,443.

During fiscal year 2003-2004, the City Council changed the rate structure for water services. Water rates were changed to a monthly base rate of \$24.19 plus consumption. The consumption rates range from \$1.08 to \$1.50 per thousand gallons. Higher rates are charged as consumption increases. Other factors concerning the finances of these two funds have already been discussed in the discussion of South Jordan's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund original budget (not including transfers) was amended from an original budget expenditure total of \$13,301,623 to a final budget of \$13,660,917. The budget was adjusted at various times during the year to account for changing needs within the government. All departments monitor their budgets closely and are required to stay within their budget.

Capital Assets and Debt Administration

Capital assets. The City of South Jordan's investment in capital assets for its governmental and business-type activities as of June 30, 2004, amounts to \$161,534,374 (net of accumulated depreciation). This investment in capital assets includes, land, buildings and structures, improvements, infrastructure (Streets, sidewalks, etc.), machinery and equipment and construction in progress. The total increase in the City's investment in fixed assets for the current year was 21% (a 11% increase for governmental activities and a 50% increase for business-type activities).

Major capital asset events during the current fiscal year include the following:

- \$10,796,298 spent to purchase Mulligan's Golf and Games.
- \$4,843,076 toward the construction of a City Recreation facility.
- \$4,397,699 spent to upgrade the City's culinary water system.
- \$1,207,745 towards the construction of 9800 South.
- \$795,577 to complete the new City Hall.
- \$121,423 towards the construction of Prospector Park.

City of South Jordan's Capital Assets (net of depreciation)

	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 11,984,229	\$ 11,443,916	\$ 12,112,250	\$ 1,240,303	\$ 24,096,479	\$ 12,684,219
Water Shares	-	-	17,116,232	16,633,395	17,116,232	16,633,395
Buildings	10,076,907	4,518,371	1,721,770	1,064,066	11,798,677	5,582,437
Improvements	3,878,888	4,451,812	-	-	3,878,888	4,451,812
Machinery & Equipment	3,502,753	3,835,320	1,000,288	413,352	4,503,041	4,248,672
Infrastructure	70,453,241	64,368,369	18,895,731	16,659,775	89,348,972	81,028,144
Construction in Progress	6,578,651	7,738,500	4,213,434	753,865	10,792,085	8,492,365
Total Capital Assets	\$ 106,474,669	\$ 96,356,288	\$ 55,059,705	\$ 36,764,756	\$ 161,534,374	\$ 133,121,044

Additional information on the City's capital assets can be found on footnote 8 on page 62 of this report.

Long-term debt. At the end of fiscal year 2004, the City had a total bonded debt outstanding of \$74,230,000. All of this amount is represented by bonds secured solely by specific revenue sources. The City has no general obligation bonds outstanding.

City of South Jordan's Outstanding Debt General Obligation and Revenue Bonds						
	Governmental activities		Business-type activities		Total	
	2004	2003	2004	2003	2004	2003
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special Assessment debt with governmental commitment	7,170,000	7,470,000	-	-	7,170,000	7,470,000
Revenue Bonds	29,720,000	30,546,000	38,070,000	3,200,000	67,790,000	33,746,000
Total net assets	<u>\$ 36,890,000</u>	<u>\$ 38,016,000</u>	<u>\$ 38,070,000</u>	<u>\$ 3,200,000</u>	<u>\$ 74,960,000</u>	<u>\$ 41,216,000</u>

The City's total bonded debt increased by \$33,744,000 during the current fiscal year. The key factors in this increase were the following:

- The issuance of \$22,480,000 in water revenue bonds. These funds will be used to provide significant upgrades to the City's culinary water system.
- The issuance of \$12,500,000 in lease revenue bonds. These funds were used to purchase an existing recreation facility. The facility, named Mulligan's, consists of a golf course, miniature golf, driving range, and batting cages.

The City currently maintains an "A+" rating from Fitch and "A2" rating from Moody's.

State statutes limit the amount of general obligation debt a governmental entity may issue to 12% of the "reasonable fair cash value" of property within the City. Of this percent, a maximum of 4% may be used for general purposes. The current limitation for the City is \$96,378,911, which is significantly in excess of the City's outstanding general obligation debt. The remaining 8% and any unused portion of the 4% available for general purposes up to the maximum of 12% may be utilized for water, sewer, and electrical projects. The current limitation for all debt, including that used for water, sewer and electrical projects is thus \$289,136,733, which again significantly exceeds the outstanding city-wide debt.

Additional information on the City's long term-debt (or Outstanding Debt) can be found on footnote 10 on pages 64-67 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The unemployment rate for Salt Lake County was 5.4% which equaled the state unemployment rate and compares with a national unemployment rate of 5.5%. This compares with a rate of 4.8% in 2003. (Source: Utah Dept of Workforce Services)
- The General Fund budget for the fiscal year-ending June 30, 2005 reflects an increase of 10% over the final budget for the fiscal year-ended June 30, 2004.
- All rates the City charges for services are evaluated annually. As of July 1, 2004 the base rate for water service remained at \$24.19. However consumption rates were raised to a range between \$1.14 and \$1.58 per thousand gallons.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of South Jordan's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to: City of South Jordan, Chief Accountant, 1600 West Towne Center Drive, South Jordan, UT 84095, or call (801) 254-3742, or e-mail to snaidu@sjc.utah.gov.

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BASIC FINANCIAL STATEMENTS



SOUTH JORDAN

U T A H

GOVERNMENT-WIDE FINANCIAL STATEMENTS



SOUTH JORDAN
U T A H

CITY OF SOUTH JORDAN

Statement of Net Assets June 30, 2004

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 20,184,962	\$ 21,747,328	\$ 41,932,290
Restricted Cash	1,760,363	1,169,113	2,929,476
Receivables	13,468,935	1,529,573	14,998,508
Note Receivable	90,000	-	90,000
Inventories	62,584	49,729	112,313
Other Assets	220,120	2,281,493	2,501,613
Bond Issuance Costs (Net)	821,637	878,712	1,700,349
Capital Assets:			
Land	11,984,229	12,112,250	24,096,479
Water Shares	-	17,116,232	17,116,232
Buildings	10,621,727	1,960,145	12,581,872
Improvements	96,350,932	25,088,402	121,439,334
Machinery & Equipment	7,141,736	1,975,631	9,117,367
Construction in Progress	6,578,651	4,213,434	10,792,085
Less Accumulated Depreciation	(26,202,606)	(7,406,389)	(33,608,995)
Total Assets	<u>143,083,270</u>	<u>82,715,653</u>	<u>225,798,923</u>
LIABILITIES			
Accounts Payable	1,700,424	894,882	2,595,306
Unearned Revenue	4,941,106	-	4,941,106
Unamortized Bond Premium	132,324	864,192	996,516
Other Liabilities	1,859,149	17,137	1,876,286
Accrued Interest Payable	802,232	381,533	1,183,765
Long-term Liabilities			
Due Within One Year	2,561,951	1,014,618	3,576,569
Due in More Than One Year	38,389,720	37,722,068	76,111,788
Total Liabilities	<u>50,386,906</u>	<u>40,894,430</u>	<u>91,281,336</u>
NET ASSETS			
Invested in Capital Assets, net of related debt	65,340,150	35,170,815	100,510,965
Restricted for:			
Impact Fees	5,213,270	674,536	5,887,806
Debt Service	1,760,363	1,169,113	2,929,476
Perpetual Care			
Expendable	257,816	-	257,816
Non-expendable	140,010	-	140,010
Unrestricted	19,984,755	4,806,759	24,791,514
Total Net Assets	<u>\$ 92,696,364</u>	<u>\$ 41,821,223</u>	<u>\$ 134,517,587</u>

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Activities For the Year Ended June 30, 2004

Activities	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental:				
General Government	\$ 6,935,629	\$ 4,595,121	\$ 84,780	\$ 1,349,799
Public Safety	6,026,263	1,831,151	335,565	-
Public Works	4,943,240	2,545,979	1,307,465	5,133,772
Parks and Public Property	1,379,091	2,978,838	-	-
Interest on Long-Term Debt	2,007,526	-	-	-
Total Governmental Activities	<u>21,291,749</u>	<u>11,951,089</u>	<u>1,727,810</u>	<u>6,483,571</u>
Business-type:				
Water	6,586,729	9,160,374	-	2,392,023
Sanitation	1,306,726	1,906,321	-	-
Total Business-type Activities	<u>7,893,455</u>	<u>11,066,695</u>	<u>-</u>	<u>2,392,023</u>
Total Primary Government	<u>29,185,204</u>	<u>23,017,784</u>	<u>1,727,810</u>	<u>8,875,594</u>

General Revenues:

Property Taxes

Sales and Use Tax

Energy Sales and Use Tax

Other Taxes

Miscellaneous Revenue

Gain (loss) on disposition of fixed assets

Unrestricted Investment Earnings

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets -- Beginning

Net Assets -- Ending

See accompanying notes.

Net (Expense) Revenue and Changes in Net Assets		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (905,929)	\$ -	\$ (905,929)
(3,859,547)	-	(3,859,547)
4,043,976	-	4,043,976
1,599,747	-	1,599,747
(2,007,526)	-	(2,007,526)
(1,129,279)	-	(1,129,279)
-	4,965,668	4,965,668
-	599,595	599,595
-	5,565,263	5,565,263
(1,129,279)	5,565,263	4,435,984
5,339,574	-	5,339,574
3,255,045	-	3,255,045
1,434,575	-	1,434,575
187,952	-	187,952
69,617	-	69,617
759,303	-	759,303
50,875	8,422	59,297
257,746	(257,746)	-
11,354,687	(249,324)	11,105,363
10,225,408	5,315,939	15,541,347
82,470,956	36,505,284	118,976,240
\$ 92,696,364	\$ 41,821,223	\$ 134,517,587

See accompanying notes.

Governmental Fund Financial Statements

General Fund

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund

Debt Service Fund

The debt service fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.

Redevelopment Agency (RDA)

This fund is used to account for the activities of the Redevelopment Agency. The Agency is an entity established to further public purpose in the redevelopment of particular City areas.

Municipal Building Authority (MBA)

This fund is used to account for the construction of capital facilities of the City.

Construction Fund

This fund is used to account for the construction of budgeted capital projects of the City. Impact fees, intergovernmental grants and interest earnings are the principal sources of funding for these projects.

Nonmajor Funds

Nonmajor governmental funds are presented by fund type beginning on page 76.

CITY OF SOUTH JORDAN

Balance Sheet Governmental Funds June 30, 2004

			Special Revenue	Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
	General	Debt Service	RDA	MBA	Construction		
ASSETS							
Cash & Cash Equivalents	\$ 4,636,820	\$ 160,103	\$ 953,830	\$ 2,492,711	\$ 9,594,964	\$ 2,346,534	\$ 20,184,962
Restricted for Debt Service	-	1,033,500	-	726,863	-	-	1,760,363
Receivables	3,888,651	7,170,000	2,183,000	-	119,703	107,583	13,468,937
Inventories	62,584	-	-	-	-	-	62,584
Note Receivable	-	-	90,000	-	-	-	90,000
Due from other funds	27,509	-	-	-	-	-	27,509
Other Assets	210,120	-	-	10,000	-	-	220,120
Total Assets	<u>\$ 8,825,684</u>	<u>\$ 8,363,603</u>	<u>\$ 3,226,830</u>	<u>\$ 3,229,574</u>	<u>\$ 9,714,667</u>	<u>\$ 2,454,117</u>	<u>\$ 35,814,475</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable and Accrued Liabilities	539,306	-	10,227	795,808	307,413	47,670	1,700,424
Construction Bonds and Refunds	1,859,149	-	-	-	-	-	1,859,149
Due to Other Funds	-	-	-	-	-	27,509	27,509
Deferred Revenue	238,927	7,170,000	-	-	-	-	7,408,927
Unearned Revenue	2,758,106	-	2,183,000	-	-	-	4,941,106
Total Liabilities	<u>5,395,488</u>	<u>7,170,000</u>	<u>2,193,227</u>	<u>795,808</u>	<u>307,413</u>	<u>75,179</u>	<u>15,937,115</u>
FUND BALANCES							
Reserved for:							
Debt Service	-	1,033,500	-	726,863	-	-	1,760,363
Impact Fees	-	-	-	-	5,213,270	-	5,213,270
Long-term Note Receivable	-	-	-	-	119,703	-	119,703
Perpetual Care	-	-	-	-	-	257,816	257,816
Other	272,704	-	-	-	-	-	272,704
Unreserved, Reported In							
General Fund	3,157,492	-	-	-	-	-	3,157,492
Capital Projects Funds	-	-	-	1,706,903	4,074,281	-	5,781,184
Debt Service Funds	-	160,103	-	-	-	-	160,103
Special Revenue Funds	-	-	1,033,603	-	-	1,981,112	3,014,715
Permanent Funds	-	-	-	-	-	140,010	140,010
Total Fund Balances	<u>3,430,196</u>	<u>1,193,603</u>	<u>1,033,603</u>	<u>2,433,766</u>	<u>9,407,254</u>	<u>2,378,938</u>	<u>19,877,360</u>
Total Liabilities and Fund Balances	<u>\$ 8,825,684</u>	<u>\$ 8,363,603</u>	<u>\$ 3,226,830</u>	<u>\$ 3,229,574</u>	<u>\$ 9,714,667</u>	<u>\$ 2,454,117</u>	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources.	106,474,669
Other long-term assets are not available to pay for current-period expenditures.	7,408,927
Long-term liabilities, including bonds payable, are not due and payable in the current period.	<u>(41,064,592)</u>
Net assets of governmental activities	<u>\$ 92,696,364</u>

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds For the Year Ended June 30, 2004

	<u>Special Revenue</u>		
	<u>General</u>	<u>Debt Service</u>	<u>RDA</u>
REVENUES			
Taxes	\$ 8,118,658	\$ -	\$ 2,121,947
Licenses & Permits	1,790,661	-	-
Intergovernmental	1,654,190	-	-
Charges for Services	2,593,834	-	-
Fines & Forfeitures	987,405	-	-
Special Assessments	-	794,799	-
Interest	50,948	19,736	23
Impact Fees	-	-	-
Miscellaneous	137,975	150,433	150,996
Total Revenues	<u>15,333,671</u>	<u>964,968</u>	<u>2,272,966</u>
EXPENDITURES			
Current			
General Government	4,908,247	-	293,429
Public Safety	5,780,900	-	-
Public Works	1,600,385	-	-
Parks, Recreation, & Library	1,081,949	-	-
Capital Outlay & Projects	-	-	380,652
Tax Increment Distributions	-	-	487,608
Debt Service			
Principal Retirement	-	1,422,386	94,994
Interest and Fees	-	1,443,637	191,294
Total Expenditures	<u>13,371,481</u>	<u>2,866,023</u>	<u>1,447,977</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,962,190</u>	<u>(1,901,055)</u>	<u>824,989</u>
Othr Financing Sources (Uses)			
Issuance of Debt	-	-	380,652
Sale of Capital Assets	-	-	94,475
Transfers In	181,060	2,022,212	-
Transfers Out	(2,510,007)	(4,501)	(283,392)
Total Other Financing Sources (Uses)	<u>(2,328,947)</u>	<u>2,017,711</u>	<u>191,735</u>
Net Change in Fund Balance	(366,757)	116,656	1,016,724
Fund Balances - July 1	3,796,953	1,076,947	16,879
Fund Balances - June 30	<u>\$ 3,430,196</u>	<u>\$ 1,193,603</u>	<u>\$ 1,033,603</u>

See accompanying notes.

Capital Projects		Nonmajor Governmental Funds	Total Governmental Funds
MBA	Construction		
\$ -	\$ -	\$ -	\$ 10,240,605
-	-	-	1,790,661
-	-	63,520	1,717,710
-	-	622,461	3,216,295
-	-	-	987,405
-	-	-	794,799
73,249	103,114	38,516	285,586
-	5,094,036	-	5,094,036
-	268,272	20	707,696
73,249	5,465,422	724,517	24,834,793
-	-	64,526	5,266,202
-	-	-	5,780,900
-	-	492,971	2,093,356
-	-	69,490	1,151,439
4,651,350	4,342,066	-	9,374,068
-	-	-	487,608
226,000	-	-	1,743,380
418,473	-	-	2,053,404
5,295,823	4,342,066	626,987	27,950,357
(5,222,574)	1,123,356	97,530	(3,115,564)
-	1,500,000	-	1,880,652
-	1,647,612	-	1,742,087
268,628	823,058	133,869	3,428,827
-	(246,181)	(127,000)	(3,171,081)
268,628	3,724,489	6,869	3,880,485
(4,953,946)	4,847,845	104,399	764,921
7,387,712	4,559,409	2,274,539	19,112,439
\$ 2,433,766	\$ 9,407,254	\$ 2,378,938	\$ 19,877,360

See accompanying notes.

CITY OF SOUTH JORDAN
Reconciliation of The Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To The Statement of Activities
For the Year Ended June 30, 2004

Amounts reported for governmental activities in the statement of activities
are different because:

Net Change in Fund Balance -- Total Governmental Funds	\$ 764,921
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	10,151,681
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets	(33,305)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(323,457)
Bond proceeds and capital leases provide current financial resources to governmental funds by issuing debt which increases long-term liabilities in the Statement of Net Assets. Repayments of bond and capital lease principal are expended in the governmental funds, but reduce liabilities in the Statement of Net Assets.	(306,849)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(27,583)</u>
Change in net assets of governmental activities	<u><u>\$ 10,225,408</u></u>

See accompanying notes.

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CITY OF SOUTH JORDAN

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Taxes				
Property Tax - Current	\$ 2,560,000	\$ 2,560,000	\$ 2,679,027	\$ 119,027
Property Tax - Delinquent	105,000	125,000	180,617	55,617
Motor Vehicle Tax	383,000	383,000	372,603	(10,397)
Sales & Use Tax	3,220,000	3,220,000	3,255,045	35,045
Penalties & Interest	5,500	5,500	8,839	3,339
Cell Phone Tax	163,500	163,500	187,952	24,452
Energy Sales & Use Tax	1,249,500	1,249,500	1,434,575	185,075
Total Taxes	7,686,500	7,706,500	8,118,658	412,158
Licenses & Permits				
Building Permits	914,125	1,293,277	1,627,578	334,301
Business Licenses	84,975	84,975	85,330	355
Innkeeper Fees	30,000	30,000	16,321	(13,679)
Solid Waste License Fee	25,200	25,200	18,265	(6,935)
Miscellaneous	38,883	38,883	43,167	4,284
Total Licenses & Permits	1,093,183	1,472,335	1,790,661	318,326
Intergovernmental Revenues				
Federal Grants	80,000	160,824	181,917	21,093
State Grants	26,000	135,072	143,549	8,477
Class "C" Road Allotment	1,125,000	1,305,000	1,307,464	2,464
Liquor Fund Allotment	15,000	15,000	21,260	6,260
Total Intergovernmental	1,246,000	1,615,896	1,654,190	38,294
Charges for Services				
Ambulance Fees	419,175	419,175	398,574	(20,601)
Engineering Fees	123,600	143,600	268,235	124,635
Plan Check Fees	515,000	665,000	913,777	248,777
Zoning & Subdivision Fees	61,800	61,800	132,674	70,874
Other Services	1,570,199	1,445,413	880,574	(564,839)
Total Charges for Services	2,689,774	2,734,988	2,593,834	(141,154)
Fines and Forfeitures	1,100,000	1,100,000	987,405	(112,595)
Misc Revenue				
Investment Earnings	40,000	40,050	50,948	10,898
Sundry Revenue	47,600	49,345	137,975	88,630
Total Misc Revenue	87,600	89,395	188,923	99,528
Total Revenue	13,903,057	14,719,114	15,333,671	614,557

See accompanying notes.

CITY OF SOUTH JORDAN

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
EXPENDITURES				
General Government				
General Administration	\$ 1,704,188	\$ 2,082,208	\$ 2,033,386	\$ 48,822
Administrative Services	1,353,828	1,127,652	1,097,078	30,574
Legal	309,054	323,926	323,271	655
Finance	396,606	386,054	344,746	41,308
Community Development	358,975	352,596	348,748	3,848
Building Department	398,960	401,536	399,761	1,775
Engineering	541,254	363,552	361,257	2,295
Total General Government	5,062,865	5,037,524	4,908,247	129,277
Public Safety				
Police	2,528,472	2,454,940	2,443,475	11,465
Fire	2,185,039	2,252,680	2,252,677	3
Administration	737,344	838,883	819,885	18,998
Municipal Court	249,396	268,978	264,863	4,115
Total Public Safety	5,700,251	5,815,481	5,780,900	34,581
Public Works				
Streets and Roads	1,188,566	1,429,692	1,357,526	72,166
Facility Maintenance	203,679	248,744	242,859	5,885
Total Public Works	1,392,245	1,678,436	1,600,385	78,051
Parks and Public Property	1,146,262	1,129,476	1,081,949	47,527
Total Expenditures	13,301,623	13,660,917	13,371,481	289,436
Excess (Deficiency) of revenues				
Over Expenditures	601,434	1,058,197	1,962,190	903,993
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	177,060	181,060	181,060	-
Operating Transfers Out	(1,731,426)	(2,510,138)	(2,510,007)	131
Total Other Financing Sources (Uses)	(1,554,366)	(2,329,078)	(2,328,947)	131
Net Change in Fund Balance	(952,932)	(1,270,881)	(366,757)	904,124
Fund Balance - July 1	3,796,953	3,796,953	3,796,953	-
Fund Balance - June 30	\$ 2,844,021	\$ 2,526,072	\$ 3,430,196	\$ 904,124

See accompanying notes.

CITY OF SOUTH JORDAN

Redevelopment Agency Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 2,226,753	\$ 2,226,753	\$ 2,121,947	\$ (104,806)
Interest	-	-	23	23
Miscellaneous	182,080	182,080	150,996	(31,084)
Total Revenue	<u>2,408,833</u>	<u>2,408,833</u>	<u>2,272,966</u>	<u>(135,867)</u>
EXPENDITURES				
General Government	568,939	300,701	293,429	7,272
Capital Outlay & Projects	-	380,902	380,652	250
Tax Increment Distributions	538,194	660,737	487,608	173,129
Debt Service				
Principal Retirement	150,821	107,611	94,994	12,617
Interest and Fees	155,950	199,160	191,294	7,866
Total Expenditures	<u>1,413,904</u>	<u>1,649,111</u>	<u>1,447,977</u>	<u>201,134</u>
Excess (Deficiency) of revenues Over Expenditures	<u>994,929</u>	<u>759,722</u>	<u>824,989</u>	<u>65,267</u>
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	380,652	380,652	-
Sale of Fixed Assets	-	95,000	94,475	(525)
Operating Transfers Out	(994,929)	(1,235,374)	(283,392)	951,982
Total Other Financing Sources (Uses)	<u>(994,929)</u>	<u>(759,722)</u>	<u>191,735</u>	<u>951,457</u>
Net Change in Fund Balance	-	-	1,016,724	1,016,724
Fund Balance - July 1	16,879	16,879	16,879	-
Fund Balance - June 30	<u>\$ 16,879</u>	<u>\$ 16,879</u>	<u>\$ 1,033,603</u>	<u>\$ 1,016,724</u>

See accompanying notes.

Proprietary Fund Financial Statements

Water Fund

This fund is used to account for the activities of the City's water operations.

Sanitation Fund

This fund is used to account for the activities of the City's sanitation operations.

Mulligans

This fund is used to account for the operation of Mulligan's Golf & Games. This City recreation facility includes golf, miniature golf, a driving range, and batting cages.

CITY OF SOUTH JORDAN

Statement of Net Assets

Proprietary Funds

June 30, 2004

	Business-type Activities - Enterprise Funds			
	Water Fund	Sanitation Fund	Mulligans Fund	Total
ASSETS				
Current Assets				
Cash & Cash Equivalents	\$ 21,271,447	\$ -	\$ 475,881	\$ 21,747,328
Accounts Receivable	1,283,696	245,877	-	1,529,573
Inventories	20,577	-	29,152	49,729
Due from Other Funds	582,013			582,013
Total Current Assets	23,157,733	245,877	505,033	23,908,643
Noncurrent Assets				
Restricted Cash	282,313	-	886,800	1,169,113
Investment in Landfill	-	2,281,493	-	2,281,493
Bond Issuance Costs	608,128	-	312,784	920,912
Accumulated Amortization	(42,200)	-	-	(42,200)
Fixed Assets				
Land	2,095,303	-	10,016,947	12,112,250
Water Shares	17,116,232	-	-	17,116,232
Buildings and Structures	1,260,345	-	699,800	1,960,145
Improvements - Other than Buildings	25,088,402	-	-	25,088,402
Machinery and Equipment	1,398,160	497,920	79,551	1,975,631
Construction in Progress	4,213,434	-	-	4,213,434
Less Accumulated Depreciation	(7,372,738)	(33,651)	-	(7,406,389)
Fixed Assets (Net of Accum Depreciation)	43,799,138	464,269	10,796,298	55,059,705
Total Noncurrent Assets	44,647,379	2,745,762	11,995,882	59,389,023
Total Assets	67,805,112	2,991,639	12,500,915	83,297,666
LIABILITIES				
Current Liabilities				
Accounts Payable	730,694	134,278	915	865,887
Accrued Liabilities	27,865	1,130	-	28,995
Interest Payable	381,533	-	-	381,533
Due to Other Funds	-	582,013	-	582,013
Construction Bonds and Refunds	17,137	-	-	17,137
Current Portion Compensated Absenses	14,180	438	-	14,618
Current Portion Note Payable	-	150,000	-	150,000
Current Portion Bonds Payable	850,000	-	-	850,000
Total Current Liabilities	2,021,409	867,859	915	2,890,183
Noncurrent Liabilities				
Note Payable	-	502,068	-	502,068
Unamortized Bond Premium	864,192	-	-	864,192
Bonds Payable	24,720,000	-	12,500,000	37,220,000
Total Noncurrent Liabilities	25,584,192	502,068	12,500,000	38,586,260
Total Liabilities	27,605,601	1,369,927	12,500,915	41,476,443
NET ASSETS				
Investment in Capital Assets, net of related debt	35,934,367	464,269	(1,227,821)	35,170,815
Restricted for:				
Impact Fees	674,536	-	-	674,536
Debt Service	282,313	-	886,800	1,169,113
Unrestricted	3,308,295	1,157,443	341,021	4,806,759
Total Net Assets	\$ 40,199,511	\$ 1,621,712	\$ -	\$ 41,821,223

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds For the Year Ended June 30, 2004

	Business-type Activities - Enterprise Funds			
	Water Fund	Sanitation Fund	Mulligan's Fund	Total
Operating Revenues				
Charges for Services	\$ 7,073,012	\$ 1,802,840	\$ -	\$ 8,875,852
Miscellaneous	29,757	-	-	29,757
Total Operating Revenue	7,102,769	1,802,840	-	8,905,609
Operating Expenses				
Costs of Services	4,109,259	1,197,893	-	5,307,152
General and Administrative	492,259	72,054	-	564,313
Depreciation	976,341	33,651	-	1,009,992
Total Operating Expenses	5,577,859	1,303,598	-	6,881,457
Operating Income (Loss)	1,524,910	499,242	-	2,024,152
Non-Operating Revenues (Expenses)				
Impact Fees	1,826,028	-	-	1,826,028
Increase in Joint Venture	-	103,482	-	103,482
Interest	239,998	-	-	239,998
Grant Revenue	130,000	-	-	130,000
Amortization of Bond Issuance Costs	(30,407)	-	-	(30,407)
Interest Expense	(978,463)	(3,128)	-	(981,591)
Total Non-Operating Revenue (Expenses)	1,187,156	100,354	-	1,287,510
Net Income (Loss) Before Contributions and Transfers	2,712,066	599,596	-	3,311,662
Contributions and Operating Transfers				
Capital Contributions	2,262,023	-	-	2,262,023
Transfers Out	(85,746)	(172,000)	-	(257,746)
Total Contributions & Operating Transfers	2,176,277	(172,000)	-	2,004,277
Change in Net Assets	4,888,343	427,596	-	5,315,939
Total Net Assets - Beginning	35,311,168	1,194,116	-	36,505,284
Total Net Assets - Ending	\$ 40,199,511	\$ 1,621,712	\$ -	\$ 41,821,223

See accompanying notes.

CITY OF SOUTH JORDAN

Statement of Cash Flows

Proprietary Funds

For The Year Ended June 30, 2004

	Water Fund	Sanitation Fund	Mulligans	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 6,767,871	\$ 1,781,506	\$ -	\$ 8,549,377
Payments to Suppliers	(3,891,035)	(1,180,975)	(28,237)	(5,100,247)
Payments to Employees	(560,222)	(45,220)	-	(605,442)
Net cash provided (used) by operating activities	<u>2,316,614</u>	<u>555,311</u>	<u>(28,237)</u>	<u>2,843,688</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances from other funds	(321,117)	321,117	-	-
Transfers Out	(85,746)	(172,000)	-	(257,746)
Net Cash Provided (Used) by Noncapital Activities	<u>(406,863)</u>	<u>149,117</u>	<u>-</u>	<u>(257,746)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Impact Fees	1,826,028	-	-	1,826,028
Purchase of Capital Assets	(5,748,700)	(497,920)	(10,796,298)	(17,042,918)
Proceeds from Sale of Bonds	23,519,676	-	12,500,000	36,019,676
Payment of Bond Issuance Costs	(519,676)	-	(312,784)	(832,460)
Repayment of Debt	(110,000)	(203,381)	-	(313,381)
Interest on Long-Term Debt	(670,474)	(3,127)	-	(673,601)
Net cash provided (used) by capital and related financing activities	<u>18,296,854</u>	<u>(704,428)</u>	<u>1,390,918</u>	<u>18,983,344</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest Income	239,998	-	-	239,998
Net increase (decrease) in cash and cash equivalents	20,446,603	-	1,362,681	21,809,284
Cash and cash equivalents - beginning of year	1,107,157	-	-	1,107,157
Cash and cash equivalents - end of year	<u>\$ 21,553,760</u>	<u>\$ -</u>	<u>\$ 1,362,681</u>	<u>\$ 22,916,441</u>
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating Income (Loss)	\$ 1,524,910	\$ 499,242	\$ -	\$ 2,024,152
Adjustments to reconcile operating income to net cash provided (Used) by operating activities:				
Depreciation expense	976,341	33,651	-	1,009,992
(Increase) decrease in receivables	(324,131)	(21,335)	-	(345,466)
(Increase) decrease in inventory	(3,793)	-	(29,152)	(32,945)
Increase (decrease) in accounts payable	143,713	44,303	915	188,931
Increase (decrease) in accrued liabilities	(2,858)	(10)	-	(2,868)
(Increase) decrease in accrued vacation and sick leave	2,432	(540)	-	1,892
Total Adjustments	<u>791,704</u>	<u>56,069</u>	<u>(28,237)</u>	<u>819,536</u>
Net cash provided (used) by operating activities	<u>\$ 2,316,614</u>	<u>\$ 555,311</u>	<u>\$ (28,237)</u>	<u>\$ 2,843,688</u>
Noncash investing, capital, and financing activities:				
Contributions of capital assets from developers	2,262,023	-	-	2,262,023
Increase in equity investment in Trans-Jordan Landfill	-	103,482	-	103,482

See accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS



SOUTH JORDAN

U T A H

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of South Jordan (the City) financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The City applies FASB pronouncements issued after that date to its business-type activities and enterprise funds. The more significant accounting policies established in GAAP and used by the City are discussed below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No.34, Basic Financial Statements---and Management's Discussion and Analysis---for State and Local Governments.

The financial statements include:

- A Management Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and results of operations.
- Financial statements prepared using full accrual accounting for all of the City's activities, including infrastructure (roads, bridges, etc.).
- A change in the fund financial statements to focus on the major funds.

A. Reporting Entity

The City of South Jordan was incorporated on November 8, 1935, under laws of the State of Utah. Under the present form of government, administrative and legislative powers are vested in a governing body, consisting of the Mayor and a five-member City Council. They are assisted by a City Manager, who also is the City's budget officer. The Chief Financial Officer is currently responsible for the financial matters of the City, including money management, accounts payable, financial statements, and accounts receivable.

The City provides the following services as mandated by law: Public Safety, Judicial Services, Highways and Streets, Sanitation, Parks, Cemetery, Water, Public Improvements, Planning and Zoning, and General Administrative Services.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 1 – SUMMARY (CONTINUED)

The Comprehensive Annual Financial Report of the City includes the financial statements for all activities of the City based upon the criteria set forth in Governmental Accounting Standards Board (GASB) statement 14. The primary criteria for including a board or agency in this report is financial accountability which determines whether an entity is a component unit of the financial reporting entity. Blended component units, although legally separate entities, are in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City.

Blended Component Units.

The Municipal Building Authority was created by the City during fiscal year 1995 and is governed by the City's Mayor and Council. The authority uses the proceeds of its tax-exempt bonds to finance the construction or acquisition of general capital assets for the City. The bonds are secured by a lease agreement with the City and will be retired through lease payments from the City. The financial statements of the Municipal Building Authority are included in the accompanying financial statements as a blended component unit.

The Redevelopment Agency is governed by a separate governing board, who are the City's Mayor and Council. The financial statements of the Redevelopment Agency are included in the accompanying financial statements as a blended component unit.

The Municipal Building Authority and the Redevelopment Agency are considered blended component units since the governing board in each case is the same governing board of the City.

The Municipal Building Authority is presented as a capital projects fund and the Redevelopment Agency is presented as a special revenue fund in the financial statements

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices.

South Jordan City Municipal Building Authority
1600 West Town Center Drive
South Jordan City, Utah 84095

South Jordan City Redevelopment Agency
1600 West Town Center Drive
South Jordan City, Utah 84095

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statements of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after the year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt as well as expenditures related to compensated absences, claims, and judgments, which are recorded only when payment is due.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 1 – SUMMARY (CONTINUED)

Property taxes, sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of the special assessments receivable due within the fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *general fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The *debt service* fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs.

The *redevelopment agency special revenue fund* accounts for the activities of the agency, a blended component unit of the city. The agency is an entity established to further public purpose in the redevelopment of particular city areas.

The *municipal building authority capital projects fund* accounts for the activities of the authority, a blended component unit of the city. The fund accounts for the construction of the capital facilities of the city.

The *construction capital projects fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary fund).

The government reports the following major proprietary funds:

The *water fund* accounts for the activities of the City's water operations.

The *sanitation fund* accounts for the activities of the City's sanitation operations.

The *Mulligan's fund* accounts for the activities of the recreation facility.

Additionally the government reports the following fund types:

Special revenue funds are used to account for proceeds of specific revenue sources (other than sources for major capital projects) that are legally restricted to expenditures for specified purposes.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 1 – SUMMARY (*CONTINUED*)

Permanent funds accounts for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's program.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statement. Exceptions to this general rule are payments to the general fund by the various enterprise funds for providing administrative services for such funds. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations.

D. Assets, Liabilities, and Net Assets or Equity

1. Deposits and investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments consist of amounts deposited with Utah Public Treasurers' Investment Fund, treasury bills of the U.S. Government, and money market funds. Investments are stated at fair value, which approximates cost.

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to either "due to/due from other funds".

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 1 – SUMMARY (*CONTINUED*)

4. Restricted Assets

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt services.

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and structures	30-50
Improvements other than buildings	20-50
Infrastructure	30-50
Machinery and equipment	5-10
Furniture and fixtures	5-10

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 1 – SUMMARY (*CONTINUED*)

6. Compensated Absences

City employees accrue earned vacation and sick leave throughout the year. They are allowed to carry forward into the next calendar year accrued vacation up to 240 hours and all sick leave, but are encouraged to take their vacation leave within the calendar year in which it is earned. Upon termination of employment, an employee will be compensated for all unused vacation leave, but forfeits any accumulated sick leave.

All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

7. Taxes

In Utah, county governments assess, levy, collect and disburse two principal types of tax: (1) personal property tax which is assessed on business assets other than real estate, and (2) tax on real estate and improvements. Business personal property and real estate taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on all business personal property on January 1st and real estate and improvement taxes are levied on January 1st and are payable by November 30th. The real property taxes that are due in November are reported as a receivable from property taxes on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are offset by deferred revenue.

The City Council is authorized by state statute to levy a tax against all real and personal property located within its boundaries. The Council must set a tax rate by June 22nd each year. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a routine basis.

8. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 1 – SUMMARY (*CONTINUED*)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the accrual debt proceeds received, are reported as debt service expenditures.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

10. Use of Estimates

Presenting financial statements in conformity with Generally Accepted Accounting Principles requires management to make certain estimates concerning assets, liabilities, revenues, and expenses. Actual results may vary from these estimates.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net assets – governmental activities* as reported in the government-wide statement of net assets.

This difference primarily results from the long-term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

When capital assets (property, plant, and equipment) that are to be used in governmental activities are purchased or constructed, the cost of these assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the city as a whole.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 2 – RECONCILIATION (CONTINUED)

Cost of capital assets	\$132,677,275
Accumulated depreciation	<u>(26,202,606)</u>
Net adjustment to increase <i>fund balance - total governmental funds</i> to arrive at <i>net assets – governmental activities</i>)	<u>\$ 106,474,669</u>

Long-term debt transactions:

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities in the fund statements. All liabilities (both current and long-term) are reported in the statement of net assets.

Bonds payable	\$ 36,890,000
Less: Deferred charge for issuance	
Costs (to be amortized over life of debt)	(821,637)
Plus: Bond premium (to be amortized to interest income)	132,324
Accrued interest payable	802,232
Capital lease payable	1,589,866
Compensated absences	406,240
Notes Payable	<u>2,065,567</u>
Net adjustment to reduce <i>fund balance - total governmental funds</i> To arrive at <i>net assets – governmental activities</i>	<u>\$ 41,064,592</u>

Long-Term Assets:

Long-term assets applicable to the City's governmental activities which are not available to pay expenses of the current period are deferred in the fund statements. However in the statement of net assets, the changes were reported as revenue when earned.

Special Assessments	\$7,170,000
Delinquent Property Taxes	<u>238,927</u>
Net adjustment to increase <i>fund balance – total governmental funds</i> to arrive at <i>net assets – governmental activities</i>	<u>\$7,408,927</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.”

Capital outlay	\$ 14,021,307
Depreciation expense	<u>(3,869,626)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ 10,151,681</u>

Another element of that reconciliation states that “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets.”

In the statement of activities, only the <i>gain</i> on the sale of capital assets is reported. However, in the Governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(\$ <u>921,610</u>)
Capital assets donated by outside parties are recorded as revenues in the statement of activities thus the net assets increase by the value of the donated assets	<u>888,305</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>(\$ 33,305)</u>

Another element of that reconciliation states that revenues in the statement of activities that do not provide current financial resources are not reported as revenues and are deferred in the funds. However, in the statement of activities, revenue is reported when earned. Thus the change is to reduce revenue by the amount of the previously reported revenue.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 2 – RECONCILIATION (CONTINUED)

Special Assessments	(\$ 300,000)
Delinquent Property Taxes	(23,457)
Net Adjustments	<u>(\$ 323,457)</u>

Another element of that reconciliation states "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds". Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities."

Debt issued or incurred:	
Line of credit	(\$ 1,500,000)
Note payable – land purchase	(380,652)
Issuance cost amortization	(65,561)
Claims and Judgments	(111,019)
Total debt incurred	<u>(\$2,057,232)</u>

Principal payments	
Capital leases	\$ 359,977
Lease purchase revenue bonds	226,000
Excise tax road bond	255,000
Sales tax revenue bond	345,000
Special Improvement Bond	300,000
Notes payable	257,403
Bond premium amortization	<u>7,003</u>
Total principal payments	<u>1,750,383</u>

Net adjustments to decrease <i>net changes in fund balances-total</i>	
Governmental funds to arrive at <i>changes in net assets of</i>	
<i>governmental activities</i>	<u>(\$ 306,849)</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds."

Compensated absences	(\$ 28,093)
Accrued interest	<u>510</u>

Net adjustment to decrease <i>net changes in fund balances – total</i>	
<i>governmental funds</i> to arrive at <i>changes in net assets of</i>	
<i>governmental activities</i>	<u>(\$ 27,583)</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are prepared and adopted in accordance with the Uniform Fiscal Procedures Act adopted by the State of Utah. Once a budget has been adopted, it remains in effect until it has been formally revised. Furthermore, in accordance with state law, all appropriations lapse at the end of the budget year. If any obligations are contracted for and are in excess of adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with generally accepted accounting principles. All funds of the City have legally adopted budgets.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

- A. On or before the first regularly scheduled meeting of the City Council in May, the City administrator, authorized under state statute to be appointed budget officer, submits a proposed operation budget. The operating budget includes proposed expenditures and the means of financing them.
- B. A public hearing is held at which time the taxpayers' comments are heard. Notice of the hearing is given in the local newspaper at least seven days prior to the hearing. Copies of the proposed budget are made available for public inspection ten days prior to the public hearing.
- C. On or before June 22nd, a final balanced budget must be adopted through passage of a resolution for the subsequent fiscal year beginning July 1st.
- D. Control of budgeted expenditures is exercised, under state law, at the departmental level. The City Administrator, however, acting as budget officer, has the authority to transfer budget appropriations between line items within any department of any budgetary fund. The City Council, by resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.
- E. Budget appropriations for any department may be reduced by resolution.
- F. A public hearing as required in B) above, must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by resolution without an additional hearing.
- G. Encumbrances lapse at year end. Encumbered amounts carry over to the following year and are subject to reappropriation. Therefore, no encumbrances are presented in the financial statements.

During the budget year, the City modified the budget on several occasions using the above procedures.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. At June 30, 2004 the City's cash balance consisted of the following:

	<u>Total Cash from All Fund Types</u>
Cash, Cash Equivalents, and Temporary Cash Investments	\$44,463,940
Cash and Cash Equivalents – Permanent Fund	<u>397,826</u>
Total Cash and Cash Equivalents	<u>\$44,861,766</u>

While the City's carrying amount of deposits was \$44,861,766 the balance in the City's bank account and cash on hand was \$44,632,342, with the difference being due to outstanding checks and deposits in transit.

Deposits

Utah state statutes do not require deposits to be collateralized. The City follows the requirements of the Utah Money Management Act (the Act) in handling its depository and temporary investment transactions. The law requires the depositing of City funds in a "qualified depository". The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the Commissioner of financial Institutions as meeting the requirements of the Act and adhering to the rules of The Utah Money Management Council. The amounts of total bank balances are classified in three categories of credit risk.

- 1) Insured or collateralized with securities held by the City or by its agent in the City's name.
- 2) Collateralized with securities held by the pledging financial institutions trust department or agent in the City's name.
- 3) Uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City's name.

Investments

The Act also defines the type of securities allowed as appropriate temporary investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers. Permitted investments include deposits of qualified depositories, repurchased agreements, commercial paper rated P-1 by Moody's or A-1 by Standard and Poors, Inc., Bankers Acceptances, Obligations of the U.S. Treasury, and certain tax anticipation and obligation bonds. The City is also authorized to invest in other financial investments as authorized in Utah Code 57-7-11. The City's investments are categorized below to give an indication of the level of risk assumed by the City at year end. All investments held by the City at June 30, 2004, comply with the provisions of the Act.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 4 – CASH (CONTINUED)

The City's investments are categorized to give an indication of the level of risk assumed by the City. The categories are described as follows:

- 1) Insured or registered, with securities held by the City or its agent in the City's name.
- 2) Uninsured and unregistered, with securities held by the counter party's trust department or agent in the City's name.
- 3) Uninsured and unregistered, with securities held by the counter party, or its trust department or agent but not in the City's name.

Cash, cash equivalents and investments at June 30, 2004 are summarized as follows:

	<u>Categories</u>			<u>Carrying</u>	<u>Fair</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
<u>Primary Government</u>					
Cash and deposits					
Cash on Hand	\$ 8,107	\$ -	\$ -	\$ 8,107	\$ 8,107
Deposits-FDIC Insured	200,099	-	-	200,099	200,099
Deposits - Uninsured			28,769,894	28,769,894	28,999,318
Total Cash and Deposits	<u>208,206</u>	<u>0</u>	<u>28,769,894</u>	<u>28,978,100</u>	<u>29,207,524</u>
Investments					
State Treasurer's Investment Pool				15,654,242	15,654,242
Total Primary Government	<u>\$208,206</u>	<u>\$ 0</u>	<u>\$28,769,894</u>	<u>\$44,632,342</u>	<u>\$ 44,861,766</u>

State Treasurer's Investment Pool

The fair value of the City's position in the State Treasurer's Investment Pool is the same as the value of the pool shares. The Public Treasurer's Investment Pool is managed and overseen by the Utah State Treasurer. The State Treasurer invests in compliance with the Utah Money Management Act.

NOTE 5 - RECEIVABLES

Receivables as of year end for the government's individual major fund and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 5 – RECEIVABLES (CONTINUED)

	<u>General</u>	<u>Debt Service</u>	<u>RDA</u>	<u>MBA</u>	<u>Construction</u>	<u>Water</u>	<u>Sanitation</u>	<u>Nonmajor Government'l</u>	<u>Total</u>
Receivables:									
Accounts	\$ 26,011	\$ -	\$ -	\$ -	\$ -	\$1,303,147	\$249,621	\$ 78,743	\$ 1,657,522
Property Tax	3,093,529	-	2,183,000	-	-	-	-	-	5,276,529
Other Taxes	769,113	-	-	-	-	-	-	-	769,113
Special									
Assessments	-	7,170,000	-	-	-	-	-	-	7,170,000
Intergovernmental	-	-	-	-	119,702	-	-	30,019	149,721
Less Allowance For Uncollectible accounts	-	-	-	-	-	(19,451)	(3,744)	(1,182)	(24,377)
	<u>\$3,888,653</u>	<u>\$7,170,000</u>	<u>\$2,183,000</u>	<u>\$ -</u>	<u>\$ 119,702</u>	<u>\$1,283,696</u>	<u>\$245,877</u>	<u>\$ 107,580</u>	<u>\$ 14,998,508</u>

NOTE 6 – NOTES RECEIVABLE

During the year the City purchased then sold a piece of land for \$94,475, financed by a \$90,000 note. The note carries no interest and will be due when the planned development is completed.

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2004 is as follows:

Due to/from other funds:

<u>Receivable fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Non major governmental fund	\$ 27,509
Water	Sanitation	<u>582,013</u>
Total		<u>\$ 609,522</u>

Interfund balances are created to support temporary cash deficiencies in the applicable funds.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 7 – INTERFUND RECEIVABLES (CONTINUED)

Interfund Transfers:

		Transfers In					
	<u>General</u>	<u>Debt Service</u>	<u>Construction</u>	<u>RDA</u>	<u>Nonmajor Govnmtl.</u>	<u>Business Type</u>	<u>Total</u>
Transfer In:							
General	\$ -	\$ -	\$ 54,060	\$ -	\$127,000	\$ 0	\$ 181,060
Debt Service	1,731,426	-	136,440	-	-	154,346	2,022,212
MBA	-	-	55,681	212,947	-	-	268,628
Construction	744,712	4,501	-	70,445	-	3,400	823,058
Nonmajor Govnmtl.	<u>33,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>133,869</u>
Total Transfer Out	<u>\$2,510,007</u>	<u>\$4,501</u>	<u>\$246,181</u>	<u>\$283,392</u>	<u>\$127,000</u>	<u>\$257,746</u>	<u>\$3,428,827</u>

The City transferred monies between funds to support debt service payments in the debt service fund. Also, the City transferred monies to support related capital expenditures in the construction fund.

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Property taxes receivable (general fund)	\$ -	\$2,758,106
Delinquent Property Taxes (general fund)	238,927	-
Property taxes receivable (redevelopment agency)	-	2,183,000
Special assessments not yet due (debt service fund)	<u>7,170,000</u>	<u>-</u>
Total deferred/unearned revenue for governmental funds	<u>\$ 7,408,927</u>	<u>\$4,941,106</u>

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004 was as follows:

Primary Government

	<u>July 1, 2003</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2004</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$11,443,915	\$ 1,489,789	(\$ 949,475)	\$ 11,984,229
Construction in progress	<u>7,738,500</u>	<u>5,170,169</u>	<u>(6,330,019)</u>	<u>6,578,650</u>
Total capital assets, not being depreciated	<u>19,182,415</u>	<u>6,659,958</u>	<u>(7,279,494)</u>	<u>18,562,879</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 8 – CAPITAL ASSETS (CONTINUED)

	July 1, <u>2003</u>	<u>Increases</u>	<u>Decreases</u>	June 30, <u>2004</u>
Capital assets, being depreciated:				
Buildings	4,934,652	5,687,075		10,621,727
Improvements other than buildings	4,685,583	327,733		5,013,316
Machinery and equipment	6,746,817	491,846	(96,927)	7,141,736
Infrastructure	<u>83,203,423</u>	<u>8,134,194</u>	<u>-</u>	<u>91,337,617</u>
Total capital assets being depreciated	<u>99,570,474</u>	<u>14,640,848</u>	<u>(96,927)</u>	<u>114,114,396</u>
Less accumulated depreciated for:				
Buildings	(416,283)	(128,539)		(544,822)
Improvements other than buildings	(882,940)	(251,488)		(1,134,428)
Machinery and equipment	(2,911,496)	(791,107)	63,622	(3,638,981)
Infrastructure	<u>(18,185,883)</u>	<u>(2,698,492)</u>	<u>-</u>	<u>(20,884,375)</u>
Total accumulated depreciation	<u>(22,396,602)</u>	<u>(3,869,626)</u>	<u>63,622</u>	<u>(26,202,606)</u>
Total capital assets, being depreciated, net	<u>77,173,873</u>	<u>10,771,222</u>	<u>(33,305)</u>	<u>87,911,790</u>
Governmental activities capital assets, net	<u>\$96,356,288</u>	<u>\$17,431,180</u>	<u>(\$7,312,799)</u>	<u>\$106,474,669</u>
Business type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,240,303	\$10,871,947	\$ -	\$ 12,112,250
Construction in progress	753,865	4,174,733	(715,164)	4,213,434
Water shares	<u>16,633,395</u>	<u>482,837</u>	<u>-</u>	<u>17,116,232</u>
Total capital assets, not being depreciated	<u>18,627,563</u>	<u>15,529,517</u>	<u>(715,164)</u>	<u>33,441,916</u>
Capital assets, being depreciated:				
Buildings and structures	1,260,345	699,799	-	1,960,144
Improvements other than buildings	22,058,700	3,029,702	-	25,088,402
Machinery and equipment	<u>1,214,544</u>	<u>761,088</u>	<u>-</u>	<u>1,975,632</u>
Total capital assets being depreciated	<u>24,533,589</u>	<u>4,490,589</u>	<u>0</u>	<u>29,024,178</u>
Less accumulated depreciated for:				
Buildings and structures	(196,279)	(42,096)	-	(238,375)
Improvements other than buildings	(5,398,928)	(793,745)	-	(6,192,673)
Machinery and equipment	<u>(801,190)</u>	<u>(174,151)</u>	<u>-</u>	<u>(975,341)</u>
Total accumulated depreciation	<u>(6,396,397)</u>	<u>(1,009,992)</u>	<u>0</u>	<u>(7,406,389)</u>
Total capital assets, being depreciated, net	<u>18,137,192</u>	<u>3,480,597</u>	<u>0</u>	<u>21,617,789</u>
Business-type activities capital assets, net	<u>\$36,764,755</u>	<u>\$19,010,114</u>	<u>(\$715,164)</u>	<u>\$55,059,705</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 8 – CAPITAL ASSETS (*CONTINUED*)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 556,734
Public safety	225,828
Public Works	2,832,000
Parks	<u>255,064</u>
Total depreciation expense – governmental activities	<u>\$3,869,626</u>
Business – type activities:	
Water	\$ 976,341
Sanitation	<u>33,651</u>
Total depreciation expense – business-type activities	<u>\$1,009,992</u>

Construction commitments

The government has various construction projects as of June 30, 2004. The government's commitments with contractors are as follows:

<u>Project</u>	<u>Remaining Commitment</u>
City street construction	\$ 360,840
Acquatic Center	2,994,058
Park Construction	937,663
Ice Skating Rink Construction	9,800
Water Master Plan	<u>73,801</u>
Total	<u>\$ 4,376,162</u>

NOTE 9 - LEASE COMMITMENTS

The City during 2002 executed a new lease in the amount of \$1,428,000 payable in annual installments for 5 years. During 2003, the City executed a new lease in the amount of \$567,577 payable in annual installments over 10 years. Also during 2003, the City executed a new lease in the amount of \$291,586 payable in annual installments over 6 years.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 9 - LEASE COMMITMENTS (CONTINUED)

The assets acquired through capital leases are as follows:

Asset:	Governmental <u>Activities</u>
Machinery and Equipment	\$1,940,913
Less: Accumulated Depreciation	(684,703)
Total	<u>\$1,256,210</u>

Amortization of capital assets purchased under capital leases are included in depreciation.

The present value of future minimum capital lease payments under these leases as of June 30, 2004 are:

<u>Fiscal Year</u>	<u>Amount</u>
2005	\$ 447,805
2006	447,805
2007	447,805
2008	124,466
2009	124,466
2010-2012	<u>214,717</u>
Total minimum lease payments	1,807,064
Less amounts representing interest	(217,198)
Present value of minimum lease payments	<u>\$1,589,866</u>

At June 30, 2004, the City's capital leases payable balance consisted of the following:

	Total Capital Leases Payable <u>All Fund Types</u>
Capital Leases Payable	\$1,589,866
Current Portion Capital Leases Payable	(375,938)
Long Term Capital Leases Payable	<u>\$1,213,928</u>

NOTE 10 - LONG-TERM DEBT

Bonds and notes payable at June 30, 2004, are comprised of the following:

Sales Tax Revenue Bond:

\$15,000,000 Sales Tax Revenue Bond due in annual principal and semi-annual interest payments through August, 2026 -	
Interest is at varying rates from 3.50 to 5.20%	\$ 14,085,000

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM DEBT (CONTINUED)

Redevelopment Tax Increment Bond:	
\$4,100,000 Tax Increment Bond due in annual principal and semi-annual interest payments through December of 2007 – Interest rate of 3.75%	\$4,100,000
2002 Lease Revenue Bond:	
\$9,390,000 Revenue Series Bond due in annual principal and semi-annual interest payments through September of 2023 - Interest is at a varying rate from 2.50% to 4.00%	9,390,000
Excise Tax Road Bond:	
\$2,865,000 Excise Tax Road Bonds due in annual principal and semi-annual interest payments through November 2010 - Interest is at a varying rate from 4.90 to 5.00%	2,145,000
Water Revenue Bonds:	
\$3,400,000 Water Revenue Bonds due in annual principal and semi-annual interest payments through November 2020 - interest is at a varying rate from 4.40 to 5.50%	3,090,000
2002 Special Assessment Bond:	
\$7,470,000 Special Assessment Bond due in annual principal and interest payments through November 2017 - Interest is at a varying rate from 5.50% to 6.875%	7,170,000
2004 Municipal Authority Bond:	
\$12,500,000 Municipal Authority Bond due in annual principal and monthly interest payments – February 2020 – interest at a variable monthly rate – current rate is 1.79%	12,500,000
2003 Water Revenue Bonds:	
\$22,480,000 Water Revenue Bonds due in annual principal and semi-annual interest payments through March 2024 – interest at a varying rate from 3.00% to 5.00%	22,480,000
Note payable (Related Party - Trans-Jordan):	
\$1,900,000 non-interest bearing note payable in monthly installments through September 2005 - monthly payment calculated at the difference between the old landfill tipping fees and the lower member landfill tipping fees	652,068

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM DEBT (CONTINUED)

Zions Line of Credit:

\$1,500,000 Line of Credit with semi-annual principal
and interest payments through December 2002 –
interest at a varying rate set at 75% of prime –
current rate is 3.56% \$1,471,770

Note Payable:

\$380,652 Note Payable on land purchase with annual
principal and interest payments through April 2009 –
interest rate of 5% 380,652

Note payable:

\$273,294 note payable to URMA. This payable is a result
of insurance claims against the City. The additions reflect
new insurance claims. The deductions represent payments
made to URMA. Payable over five years - due quarterly –
This note bears no interest

213,145

Total Bonds and Notes (All Funds)

\$77,677,635

The future annual requirements for all outstanding bond and note obligations as of June 30, 2004 are as follows:

<u>Fiscal Year</u>	<u>All Bonds and Notes</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2005	\$ 2,779,775	\$ 3,316,504	\$ 6,096,279
2006	3,380,068	3,228,281	6,608,349
2007	3,020,319	3,121,532	6,141,851
2008	6,457,025	2,946,919	9,403,943
2009	3,055,132	2,770,166	5,825,298
2010-2014	15,650,316	11,888,308	27,538,624
2015-2019	17,560,000	7,973,104	25,533,104
2020-2024	18,370,000	3,551,661	21,921,661
2025-2029	6,550,000	509,611	7,059,611
2030	<u>855,000</u>	<u>15,304</u>	<u>870,305</u>
Total	<u>\$77,677,635</u>	<u>\$39,321,390</u>	<u>\$116,999,025</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 10 - LONG-TERM DEBT (CONTINUED)

Changes in Long Term Debt

	July 1, <u>2003</u>	<u>Additions</u>	<u>Reductions</u>	June 30, <u>2004</u>	Due in <u>One Yr</u>
Governmental Activities:					
Bonds Payable:					
Lease purchase revenue bonds	\$ 226,000	\$ -	\$ 226,000	\$ -	\$ -
Excise tax road bond	2,400,000	-	255,000	2,145,000	265,000
Sales tax revenue bond	14,430,000	-	345,000	14,085,000	360,000
Redevelopment tax-					
Increment bond	4,100,000	-	-	4,100,000	176,000
2002 Lease revenue bond	9,390,000	-	-	9,390,000	325,000
Special assessment bond	7,470,000	-	300,000	7,170,000	340,000
Line of Credit		1,500,000	28,230	1,471,770	31,741
Notes payable	229,173	-	229,173		-
Notes payable	-	380,652	-	380,652	68,888
Capital leases	1,949,842	-	359,976	1,589,866	375,938
Compensated Absences	378,146	28,093	-	406,239	406,239
Claims and judgments	<u>102,127</u>	<u>187,191</u>	<u>76,174</u>	<u>213,144</u>	<u>213,145</u>
Gov't Activities long-term Debt	<u>\$40,675,288</u>	<u>\$2,095,936</u>	<u>\$1,819,553</u>	<u>\$40,951,671</u>	<u>\$2,561,951</u>
Business Type Activities:					
Bonds payable:					
2003 Water revenue bond	\$ -	\$22,480,000	\$ -	\$22,480,000	\$ 730,000
Water revenue bonds	3,200,000	-	110,000	3,090,000	120,000
Municipal building bond	-	12,500,000	-	12,500,000	-
Note payable – Trans-Jordan Landfill	855,449	-	203,381	652,068	150,000
Compensated absences	<u>12,726</u>	<u>2,871</u>	<u>979</u>	<u>14,618</u>	<u>14,618</u>
Business type activities-Long-term debt	<u>\$4,068,175</u>	<u>\$34,982,871</u>	<u>\$314,360</u>	<u>\$38,736,686</u>	<u>\$1,014,618</u>

NOTE 11 - RETIREMENT PLAN

Plan Description. The City of South Jordan contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement System, Public Safety Retirement System, and Fire Fighters Retirement System which are for employers with Social Security coverage cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). Utah Retirement Systems provide refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 11 - RETIREMENT PLAN (CONTINUED)

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 as amended. The Utah State Retirement Office Act in Chapter 49 provides for the administration of the Utah Retirement Systems and Plans under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Local Governmental Contributory Retirement System, Local Governmental Noncontributory Retirement System, Public Safety Retirement System, and Fire Fighters Retirement System which are for employers with Social Security coverage. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah, 84102 or by calling 1-800-365-8772.

Funding Policy. Plan members in the Local Governmental Contributory Retirement system are required to contribute 6.0% of their annual covered salary (all or part may be paid by the employer for the employee) and South Jordan City is required to contribute 5.61% of their annual covered salary. In the Public Safety Retirement System for employers with Social Security coverage contributory division members are required to contribute 12.29% of their salary (all or part may be paid by the employer for the employee) and South Jordan City is required to contribute 4.52% of their annual salary. In the Fire Fighters coverage plan, members are required to contribute 8.21% of their annual covered salary (all or part may be paid by the employer for the employee). The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

South Jordan City contributions to the Local Governmental Contributory Retirement System for the years ending June 30, 2004, 2003 and 2002 were \$460,324 \$371,557 and \$281,646 respectively. The contributions were equal to the required contributions for each year.

For the Public Safety Retirement System the contributions for June 30, 2004, 2003 and 2002 were \$153,236, \$133,892 and \$108,350 respectively and for the Fire Fighters Retirement System the contributions for June 30, 2004, 2003 and 2002 were \$103,868, \$100,459 and \$70,133 respectively. The contributions were equal to the required contributions for each year.

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Litigation - The City is a defendant in certain legal actions and pending actions, or in process for miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. City management is of the opinion that the final outcome of the cases will not have an adverse material affect on the City's financial statements.

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 13 - RESERVED FUND BALANCES

The City has reserved fund balance amounts for inventory, prepaid expenses, and providing perpetual maintenance care for the cemetery. The City has reserved net assets in the Water Fund and fund balance in the Capital Projects Fund for unspent impact fees. These fees will be used to construct appropriate projects as designated by the impact fee ordinance. The City has reserved net assets in the Water Fund and fund balance in the Debt Service fund for the Debt Service requirement of the bonds acquired. The city has also reserved fund balance in the Capital Projects fund for long term receivables.

NOTE 14 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City participates in the Utah Risk Management Mutual Association (a public entity risk pool). All claims are submitted to the Utah Risk Management Mutual Association which acts as a commercial insurer. The Association is obligated to pay all claims covered by its plan. All claims are subject to a \$5,000 deductible. The deductible is accrued as a current liability when the claim is incurred. The Utah Risk Management Mutual Association covers claims up to \$10,000,000. The City has not incurred a claim in excess of its coverage for any of the past three fiscal years.

NOTE 15 - REDEVELOPMENT AGENCY

The South Jordan City Redevelopment Agency was established to further public purposes in the redevelopment of certain City areas. For the year ended June 30, 2004, the following activity occurred in the City's Redevelopment Agency:

Tax increment collection from other taxing agencies for various project areas	\$2,121,946
Tax increment paid to other taxing agencies	487,608
Outstanding loans to finance RDA projects	4,480,652
Amounts expended for site improvements and preparation costs	380,652
Amounts expended for administrative costs	293,204

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 16 - EQUITY IN JOINT VENTURE

Trans-Jordan Cities

City of South Jordan joined in a joint venture with several other municipalities to create the Trans-Jordan Cities Landfill (Trans-Jordan). Trans-Jordan was created for the purpose of operating and maintaining a landfill for the benefit of member municipalities. The City of South Jordan uses the equity method to account for its investment in the association.

A. Ownership

In accordance with the Utah Inter-local Cooperation Act (which created Trans-Jordan), all assets revert to the participating cities upon dissolution. Participants' share of these assets are based on each participating City's payment of usage fees and charges in proportion to fees paid by all participating cities for the preceding ten fiscal years. Member's participating interests are adjusted according to the above formula annually. As of June 30, 2004, these percentages are as follows:

<u>Participating Cities</u>	<u>Fees & Charges for Ten Preceding Years</u>	<u>Percent</u>
Midvale City, Utah	\$ 823,174	6.08%
Murray City, Utah	1,388,757	10.26
Sandy City, Utah	4,799,475	35.46
South Jordan City, Utah	1,178,923	8.71
West Jordan City, Utah	3,608,910	26.66
Draper, Utah	808,950	5.98
Riverton, Utah	926,599	6.85
Total	<u>\$13,534,788</u>	<u>100.00%</u>

- B. Trans-Jordan's Board of Directors governs the operations of Trans-Jordan through management employed by the Board. Since Trans-Jordan is subject to the same laws as the creating entities, it must follow State law for cities in the areas of fiscal management, budgeting, and financing.

<u>C.</u>	<u>Trans-Jordan Cities</u>	<u>South Jordan City's Share</u>
Total Assets	<u>\$18,219,276</u>	<u>\$1,586,899</u>
Total Liabilities	<u>\$ 4,022,885</u>	<u>\$ 350,393</u>
Total Equity	<u>\$14,196,392</u>	<u>\$1,236,506</u>
Total Operating Revenues	\$4,859,786	\$ 423,287
Total Operating Expenses	<u>4,416,726</u>	<u>384,697</u>
Net Operating Income	443,060	38,590
Total Non-Operating Income (Expense)	<u>744,978</u>	<u>64,888</u>
Net Income	<u>\$1,188,038</u>	<u>\$ 103,478</u>

CITY OF SOUTH JORDAN
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2004

NOTE 16 - EQUITY IN JOINT VENTURE (CONTINUED)

D. The joint venture has the following long-term debt:

	<u>Total Amount</u>	<u>South Jordan City's Share</u>
Closure and Post-closure Liability	<u>\$3,557,940</u>	<u>\$309,897</u>

E. Audited financial statements for Trans-Jordan Cities are available at the Trans-Jordan office.

Trans-Jordan Cities
10873 South 7200 West
South Jordan, UT 84095

F. At year end the City of South Jordan had a related party note payable to Trans-Jordan in the amount of \$652,068 (see Note 10). The note applied to the original purchase of the investment in Trans-Jordan. In accordance with the agreement between Trans-Jordan and the participating cities, the balance of the note unpaid as of September 2005 will be discharged by Trans-Jordan.

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SUPPLEMENTARY INFORMATION



SOUTH JORDAN

U T A H

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. The Special Revenue Funds of the City are as follows:

- 1) **Glenmoor Special Services District** - This fund is used to account for the activities of the Special Services District. The District is an entity established to provide and maintain recreation services and facilities for City citizens residing within the District.
- 2) **Historical Preservation** - This fund is used to account for activities associated with printing and distribution of a historical publication of the City.
- 3) **Parkway Care** - This fund is used to account for funds set aside for expenditures related to special roadside improvements in selected areas of the City.
- 4) **Street Lighting** - This fund is used to track revenue from a monthly fee paid by City residents for maintenance and installation of City street lights.
- 5) **Storm Drain** - This fund is used to track revenue from a monthly fee paid by City residents for the maintenance of the City's storm drain system.
- 6) **Recreation Programs** - This fund is used to track revenue and expenditures dealing with the City's sports and recreation programs.
- 7) **CDBG Fund** - This fund is used to account for the revenues received by the City as a grantee participant in the Community Development Grant Program.

Permanent Fund

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

- 1) **Cemetery Perpetual Care Fund** - This fund is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the community cemetery.

CITY OF SOUTH JORDAN

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2004

	Special Revenue							Permanent	
	Glenmoor	Historical	Parkway Care	Street Lighting	Storm Drain	Recreation	CDBG	Cemetery	Total
ASSETS									
Cash & Cash Equivalents	\$ 86,844	\$ 23,064	\$ 1,776,803	\$ 7,331	\$ 36,353	\$ 18,313	\$ -	\$ 397,826	\$ 2,346,534
Receivables									
Accounts Receivable	-	-	-	42,938	34,626		-	-	77,564
Other Receivables	-	-	-	-	-		30,019	-	30,019
Total Assets	<u>\$ 86,844</u>	<u>\$ 23,064</u>	<u>\$ 1,776,803</u>	<u>\$ 50,269</u>	<u>\$ 70,979</u>	<u>\$ 18,313</u>	<u>\$ 30,019</u>	<u>\$ 397,826</u>	<u>\$ 2,454,117</u>
LIABILITIES AND FUND BALANCES									
LIABILITIES									
Accounts payable and Accrued Liabilities	\$ -	\$ 70	\$ -	\$ 37,051	\$ 3,410	\$ 4,629	\$ 2,510	\$ -	\$ 47,670
Due to Other Funds	-	-	-	-	-	-	27,509	-	27,509
Total Liabilities	<u>-</u>	<u>70</u>	<u>-</u>	<u>37,051</u>	<u>3,410</u>	<u>4,629</u>	<u>30,019</u>	<u>-</u>	<u>75,179</u>
FUND BALANCES									
Reserved for Perpetual Care	-	-	-	-	-	-	-	257,816	257,816
Unreserved Fund Balance	86,844	22,994	1,776,803	13,218	67,569	13,684	-	140,010	2,121,122
Total Fund Balances	<u>86,844</u>	<u>22,994</u>	<u>1,776,803</u>	<u>13,218</u>	<u>67,569</u>	<u>13,684</u>	<u>-</u>	<u>397,826</u>	<u>2,378,938</u>
Total Liabilities and Fund Balances	<u>\$ 86,844</u>	<u>\$ 23,064</u>	<u>\$ 1,776,803</u>	<u>\$ 50,269</u>	<u>\$ 70,979</u>	<u>\$ 18,313</u>	<u>\$ 30,019</u>	<u>\$ 397,826</u>	<u>\$ 2,454,117</u>

CITY OF SOUTH JORDAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2004

	Special Revenue							Permanent	
	Glenmoor	Historical	Parkway Care	Street Lighting	Storm Drain	Recreation	CDBG	Cemetery	Total
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,520	\$ -	\$ 63,520
Charges for Services	-	1,574	-	308,146	235,610	69,629	-	7,501	622,460
Interest	5,285	336	27,056	-	-	-	-	5,839	38,516
Impact Fees	-	-	-	-	-	-	-	-	-
Other Revenue	-	20	-	-	-	-	-	-	20
Total Revenues	5,285	1,930	27,056	308,146	235,610	69,629	63,520	13,340	724,516
EXPENDITURES									
Current									
General Government	-	1,004	-	-	-	-	63,520	-	64,524
Public Works	-	-	-	324,928	168,041	-	-	-	492,969
Parks, Recreation, & Library	13,548	-	-	-	-	55,945	-	-	69,493
Capital Outlay & Projects	-	-	-	-	-	-	-	-	-
Total Expenditures	13,548	1,004	-	324,928	168,041	55,945	63,520	-	626,986
Excess (Deficiency) of									
Revenues over Expenditures	(8,263)	926	27,056	(16,782)	67,569	13,684	-	13,340	97,530
Othr Financing Sources (Uses)									
Operating Transfers In	-	-	100,000	30,000	-	-	-	3,869	133,869
Operating Transfers Out	-	-	(127,000)	-	-	-	-	-	(127,000)
Total Other Financing Sources (Uses)	-	-	(27,000)	30,000	-	-	-	3,869	6,869
Net Change in Fund Balance	(8,263)	926	56	13,218	67,569	13,684	-	17,209	104,399
Fund Balances - July 1	95,107	22,068	1,776,747	-	-	-	-	380,617	2,274,539
Fund Balances - June 30	\$ 86,844	\$ 22,994	\$ 1,776,803	\$ 13,218	\$ 67,569	\$ 13,684	\$ -	\$ 397,826	\$ 2,378,938

CITY OF SOUTH JORDAN

Debt Service Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Special Assessments	\$ 811,701	\$ 794,799	\$ 794,799	\$ -
Interest	10,000	20,584	19,736	(848)
Miscellaneous	150,183	150,183	150,433	250
Total Revenue	<u>971,884</u>	<u>965,566</u>	<u>964,968</u>	<u>(598)</u>
EXPENDITURES				
Debt Service				
Principal	1,472,645	1,606,824	1,422,386	184,438
Interest and Fees	1,390,011	1,394,272	1,443,637	(49,365)
Total Expenditures	<u>2,862,656</u>	<u>3,001,096</u>	<u>2,866,023</u>	<u>135,073</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(1,890,772)</u>	<u>(2,035,530)</u>	<u>(1,901,055)</u>	<u>134,475</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	1,885,772	2,022,212	2,022,212	-
Operating Transfers Out	-	(4,501)	(4,501)	-
Total Other Financing Sources (Uses)	<u>1,885,772</u>	<u>2,017,711</u>	<u>2,017,711</u>	<u>-</u>
Net Change in Fund Balance	(5,000)	(17,819)	116,656	134,475
Fund Balance - July 1	<u>1,076,947</u>	<u>1,076,947</u>	<u>1,076,947</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 1,071,947</u>	<u>\$ 1,059,128</u>	<u>\$ 1,193,603</u>	<u>\$ 134,475</u>

CITY OF SOUTH JORDAN
Municipal Building Authority
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Interest	\$ 11,000	\$ 11,000	\$ 73,249	\$ 62,249
Miscellaneous	-	-	-	-
Total Revenue	<u>11,000</u>	<u>11,000</u>	<u>73,249</u>	<u>62,249</u>
EXPENDITURES				
Capital Outlay	-	6,261,859	4,651,350	1,610,509
Debt Service				
Principal	226,000	226,000	226,000	-
Interest and Fees	<u>418,046</u>	<u>435,873</u>	<u>418,473</u>	<u>17,400</u>
Total Expenditures	<u>644,046</u>	<u>6,923,732</u>	<u>5,295,823</u>	<u>1,627,909</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(633,046)</u>	<u>(6,912,732)</u>	<u>(5,222,574)</u>	<u>1,690,158</u>
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	-	-
Operating Transfers In	268,628	268,628	268,628	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>268,628</u>	<u>268,628</u>	<u>268,628</u>	<u>-</u>
Net Change in Fund Balance	(364,418)	(6,644,104)	(4,953,946)	1,690,158
Fund Balance - July 1	<u>7,387,712</u>	<u>7,387,712</u>	<u>7,387,712</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 7,023,294</u>	<u>\$ 743,608</u>	<u>\$ 2,433,766</u>	<u>\$ 1,690,158</u>

CITY OF SOUTH JORDAN

Construction

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Interest	\$ -	\$ 8,095	\$ 103,114	\$ 95,019
Impact Fees	-	1,906,039	5,094,036	3,187,997
Miscellaneous	-	1,762,975	268,272	(1,494,703)
Total Revenue	-	3,677,109	5,465,422	1,788,313
EXPENDITURES				
Capital Outlay				
Road and Bridge	550,000	2,977,299	1,994,045	983,254
Parks	1,572,000	3,016,204	623,917	2,392,287
Storm Drain	400,000	880,844	311,733	569,111
Facilities	-	1,753,628	1,009,966	743,662
Other Projects	89,491	1,190,411	402,405	788,006
Total Expenditures	2,611,491	9,818,386	4,342,066	5,476,320
Excess (Deficiency) of revenues Over Expenditures	(2,611,491)	(6,141,277)	1,123,356	7,264,633
OTHER FINANCING SOURCES (USES)				
Lease Proceeds	-	-	-	-
Loan Proceeds	-	-	1,500,000	1,500,000
Sale of Capital Assets	650,000	1,661,565	1,647,612	(13,953)
Retire Interim Warrants	-	-	-	-
Operating Transfers In	92,891	912,549	823,058	(89,491)
Operating Transfers Out	(109,741)	(246,181)	(246,181)	-
Total Other Financing Sources (Uses)	633,150	2,327,933	3,724,489	1,396,556
Net Change in Fund Balance	(1,978,341)	(3,813,344)	4,847,845	8,661,189
Fund Balance - July 1	4,559,407	4,559,407	4,559,409	2
Fund Balance - June 30	\$ 2,581,066	\$ 746,063	\$ 9,407,254	\$ 8,661,191

CITY OF SOUTH JORDAN
Glenmoor Special Improvement District
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Interest	\$ -	\$ -	5,285	\$ 5,285
Total Revenue	-	-	5,285	5,285
EXPENDITURES				
Parks	-	95,107	13,548	81,559
Total Expenditures	-	95,107	13,548	81,559
Excess (Deficiency) of revenues Over Expenditures	-	(95,107)	(8,263)	86,844
Net Change in Fund Balance	-	(95,107)	(8,263)	86,844
Fund Balance - July 1	95,106	95,107	95,107	-
Fund Balance - June 30	\$ 95,106	\$ -	\$ 86,844	\$ 86,844

CITY OF SOUTH JORDAN

Historical Preservation Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
State Grant	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,000	1,000	1,574	574
Interest	300	300	336	36
Other Revenue	-	-	20	20
Total Revenue	<u>1,300</u>	<u>1,300</u>	<u>1,930</u>	<u>630</u>
EXPENDITURES				
General Government	<u>4,500</u>	<u>4,500</u>	<u>1,004</u>	<u>3,496</u>
Total Expenditures	<u>4,500</u>	<u>4,500</u>	<u>1,004</u>	<u>3,496</u>
Excess (Deficiency) of revenues Over Expenditures	<u>(3,200)</u>	<u>(3,200)</u>	<u>926</u>	<u>4,126</u>
Net Change in Fund Balance	(3,200)	(3,200)	926	4,126
Fund Balance - July 1	<u>22,068</u>	<u>22,068</u>	<u>22,068</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 18,868</u>	<u>\$ 18,868</u>	<u>\$ 22,994</u>	<u>\$ 4,126</u>

CITY OF SOUTH JORDAN

Parkway Care

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Interest	\$ 30,000	\$ 30,000	\$ 27,056	\$ (2,944)
Total Revenue	30,000	30,000	27,056	(2,944)
EXPENDITURES	-	-	-	-
Excess (Deficiency) of revenues Over Expenditures	30,000	30,000	27,056	(2,944)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	100,000	100,000	100,000	-
Operating Transfers Out	(100,000)	(130,000)	(127,000)	3,000
Total Other Financing Sources (Uses)	-	(30,000)	(27,000)	3,000
Net Change in Fund Balance	30,000	-	56	56
Fund Balance - July 1	1,776,747	1,776,747	1,776,747	-
Fund Balance - June 30	\$ 1,806,747	\$ 1,776,747	\$ 1,776,803	\$ 56

CITY OF SOUTH JORDAN

Street Lighting

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 278,004	\$ 309,004	\$ 308,146	\$ (858)
Miscellaneous	-	-	-	-
Total Revenue	<u>278,004</u>	<u>309,004</u>	<u>308,146</u>	<u>(858)</u>
EXPENDITURES				
Public Works	<u>278,004</u>	<u>339,004</u>	<u>324,928</u>	<u>14,076</u>
Total Expenditures	<u>278,004</u>	<u>339,004</u>	<u>324,928</u>	<u>14,076</u>
Excess (Deficiency) of revenues Over Expenditures	<u>-</u>	<u>(30,000)</u>	<u>(16,782)</u>	<u>13,218</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	30,000	30,000	-
Operating Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net Change in Fund Balance	-	-	13,218	13,218
Fund Balance - July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,218</u>	<u>\$ 13,218</u>

CITY OF SOUTH JORDAN

Storm Drain

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 221,195	\$ 221,195	\$ 235,610	\$ 14,415
Miscellaneous	-	-	-	-
Total Revenue	<u>221,195</u>	<u>221,195</u>	<u>235,610</u>	<u>14,415</u>
EXPENDITURES				
Public Works	213,539	213,539	168,041	45,498
Capital Outlay	-	-	-	-
Total Expenditures	<u>213,539</u>	<u>213,539</u>	<u>168,041</u>	<u>45,498</u>
Excess (Deficiency) of revenues Over Expenditures	<u>7,656</u>	<u>7,656</u>	<u>67,569</u>	<u>59,913</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	7,656	7,656	67,569	59,913
Fund Balance - July 1	-	-	-	-
Fund Balance - June 30	<u>\$ 7,656</u>	<u>\$ 7,656</u>	<u>\$ 67,569</u>	<u>\$ 59,913</u>

CITY OF SOUTH JORDAN

Recreation Programs Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
State Grant	\$ -	\$ -	\$ -	\$ -
Charges for Services	230,040	230,040	69,629	(160,411)
Interest	-	-	-	-
Other Revenue	-	-	-	-
Total Revenue	<u>230,040</u>	<u>230,040</u>	<u>69,629</u>	<u>(160,411)</u>
EXPENDITURES				
Parks, Recreation, & Library	<u>230,040</u>	<u>230,040</u>	<u>55,945</u>	<u>174,095</u>
Total Expenditures	<u>230,040</u>	<u>230,040</u>	<u>55,945</u>	<u>174,095</u>
Excess (Deficiency) of revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>13,684</u>	<u>13,684</u>
Net Change in Fund Balance	-	-	13,684	13,684
Fund Balance - July 1	-	-	-	-
Fund Balance - June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,684</u>	<u>\$ 13,684</u>

CITY OF SOUTH JORDAN
Community Development Block Grant
Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Grant Revenue	\$ 65,000	\$ 109,598	\$ 63,520	\$ (46,078)
Total Revenue	65,000	109,598	63,520	(46,078)
EXPENDITURES				
General Government	65,000	109,598	63,520	46,078
Total Expenditures	65,000	109,598	63,520	46,078
Excess (Deficiency) of revenues Over Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - July 1	-	-	-	-
Fund Balance - June 30	\$ -	\$ -	\$ -	\$ -

CITY OF SOUTH JORDAN

Cemetery Perpetual Care

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual

For the Year Ended June 30, 2004

	Original Budget	Final Budget	Actual Amounts	Variances with Final Budget - Positive (Negative)
REVENUES				
Charges for Services	\$ 15,000	\$ 15,000	\$ 7,501	(7,499)
Interest	8,000	8,000	5,839	(2,161)
Total Revenue	<u>23,000</u>	<u>23,000</u>	<u>13,340</u>	<u>(9,660)</u>
EXPENDITURES	-	-	-	-
Excess (Deficiency) of revenues Over Expenditures	<u>23,000</u>	<u>23,000</u>	<u>13,340</u>	<u>(9,660)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	4,000	3,869	(131)
Operating Transfers Out	<u>(23,000)</u>	<u>(27,000)</u>	<u>-</u>	<u>27,000</u>
Total Other Financing Sources (Uses)	<u>(23,000)</u>	<u>(23,000)</u>	<u>3,869</u>	<u>26,869</u>
Net Change in Fund Balance	-	-	17,209	17,209
Fund Balance - July 1	<u>380,617</u>	<u>380,617</u>	<u>380,617</u>	<u>-</u>
Fund Balance - June 30	<u>\$ 380,617</u>	<u>\$ 380,617</u>	<u>\$ 397,826</u>	<u>\$ 17,209</u>

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**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**



CITY OF SOUTH JORDAN

Capital Assets Used in the Operation of Governmental Funds Schedule of Changes by Function and Activity June 30, 2004

	General Fixed Assets			
	July 1, 2003	Additions	Deletions	June 30, 2004
<u>Function and Activity</u>				
General Government				
Administration	\$ 8,805,173	\$ 1,831,427	\$ 855,000	\$ 9,781,600
Parkway	17,650	-	-	17,650
Building and Planning	10,000	-	-	10,000
Engineering	49,804	-	-	49,804
Economic Development	-	-	-	-
Fleet Management	1,266,016	73,732	-	1,339,748
Total General Government	<u>10,148,643</u>	<u>1,905,159</u>	<u>855,000</u>	<u>11,198,802</u>
Public Safety				
Police Protection	785,195	-	96,931	688,264
Fire Protection	<u>3,379,798</u>	<u>-</u>	<u>-</u>	<u>3,379,798</u>
Total Public Safety	<u>4,164,993</u>	<u>-</u>	<u>96,931</u>	<u>4,068,062</u>
Public Works				
Streets and Roads	77,687,382	5,826,183	-	83,513,565
Storm Drain	<u>10,295,874</u>	<u>1,408,902</u>	<u>-</u>	<u>11,704,776</u>
Total Public Works	<u>87,983,256</u>	<u>7,235,085</u>	<u>-</u>	<u>95,218,341</u>
Parks and Public Property				
Parks	7,276,753	575,595	-	7,852,348
Cemetery	129,135	-	-	129,135
Recreation	<u>2,099,899</u>	<u>4,858,576</u>	<u>-</u>	<u>6,958,475</u>
Total Parks & Public Property	<u>9,505,787</u>	<u>5,434,171</u>	<u>-</u>	<u>14,939,958</u>
Museum	<u>955,236</u>	<u>-</u>	<u>-</u>	<u>955,236</u>
Municipal Building Authority	<u>1,564,612</u>	<u>-</u>	<u>-</u>	<u>1,564,612</u>
Glenmoor Special Service District	<u>430,361</u>	<u>-</u>	<u>-</u>	<u>430,361</u>
Redevelopment Agency	<u>4,000,001</u>	<u>301,902</u>	<u>-</u>	<u>4,301,903</u>
Total General Fixed Assets	<u>\$ 118,752,889</u>	<u>\$ 14,876,317</u>	<u>\$ 951,931</u>	<u>\$ 132,677,275</u>

CITY OF SOUTH JORDAN
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2004

	Land	Building and Structure	Improvements other Than Building and Structure	Machinery and Equipment	Infrastructure	Construction in Progress	Total
<u>Function and Activity</u>							
General Government							
Administration	\$ 2,128,600	\$ 5,846,075	\$ 116,276	\$ 1,690,649	\$ -	\$ -	\$ 9,781,600
Parkway	-	-	-	17,650	-	-	17,650
Building and Planning	-	-	-	10,000	-	-	10,000
Engineering	-	-	-	49,804	-	-	49,804
Fleet Management	-	-	-	1,339,748	-	-	1,339,748
Total General Government	2,128,600	5,846,075	116,276	3,107,851	-	-	11,198,802
Public Safety							
Police Protection	-	52,443	-	635,821	-	-	688,264
Fire Protection	-	1,481,795	-	1,898,003	-	-	3,379,798
Total Public Safety	-	1,534,238	-	2,533,824	-	-	4,068,062
Public Works							
Streets and Roads	1,464,131	72,749	1,020,865	851,554	79,718,032	386,234	83,513,565
Storm Drain	-	-	-	-	11,619,584	85,192	11,704,776
Total Public Works	1,464,131	72,749	1,020,865	851,554	91,337,616	471,426	95,218,341
Parks and Public Property							
Parks	3,879,990	100,909	3,439,059	332,385	-	100,004	7,852,347
Cemetery	17,995	2,362	100,134	8,645	-	-	129,136
Recreation	-	1,859,357	-	47,133	-	5,051,985	6,958,475
Total Parks & Public Property	3,897,985	1,962,628	3,539,193	388,163	-	5,151,989	14,939,958
Museum	-	-	-	-	-	955,236	955,236
Municipal Building Authority	113,731	1,206,037	-	244,844	-	-	1,564,612
Glenmoor Speical Service District	93,379	-	336,982	-	-	-	430,361
Redevelopment Agency	4,286,403	-	-	15,500	-	-	4,301,903
Total General Fixed Assets	11,984,229	10,621,727	5,013,316	7,141,736	91,337,616	6,578,651	132,677,275

CITY OF SOUTH JORDAN

Capital Assets Used in the Operation of Governmental Funds Comparative Schedule by Source June 30, 2004

	2003	2004
General Fixed Assets		
Land	\$ 11,443,915	\$ 11,984,229
Buildings and Structures	4,934,652	10,621,727
Improvements Other than Buildings and Structures	4,685,583	5,013,316
Machinery and Equipment	6,746,817	7,141,736
Infrastructure	83,203,422	91,337,616
Construction in Progress	7,738,500	6,578,651
Total governmental funds capital assets	<u>\$ 118,752,889</u>	<u>\$ 132,677,275</u>
Investment in Fixed Assets		
General Fund	\$ 15,251,222	\$ 15,376,451
Glenmoor Special Service Fund	430,361	437,093
Capital Projects Fund	99,053,655	112,524,928
Street Lighting Fund	-	19,250
Parkway Care Fund	17,650	17,650
Redevelopment Agency Fund	4,000,001	4,301,903
Total Investment in Fixed Assets	<u>\$ 118,752,889</u>	<u>\$ 132,677,275</u>

STATISTICAL SECTION



SOUTH JORDAN
U T A H

CITY OF SOUTH JORDAN
GENERAL FUND

General Fund - Governmental Expenditures by Function
Last Ten Fiscal Years

Fiscal Year	General Government	Public Safety	Public Works	Parks & Public Property	Total
1995	\$ 1,121,048	\$ 1,198,318	\$ 891,058	\$ 177,212	\$ 3,387,636
1996	1,883,260	1,673,122	1,354,987	222,745	5,134,114
1997	1,857,831	1,874,079	602,060	186,840	4,520,810
1998	2,416,701	2,172,571	531,075	383,439	5,503,786
1999	2,351,897	2,396,438	529,684	312,196	5,590,215
2000	2,624,373	3,109,709	636,860	334,481	6,705,423
2001	2,918,942	3,747,944	1,015,457	428,801	8,111,144
2002	3,671,668	4,498,128	1,167,092	715,536	10,052,424
2003	4,397,649	5,233,088	1,822,640	885,860	12,339,237
2004	4,908,247	5,780,900	1,600,385	1,081,949	13,371,481

DEFINITIONS:

General Government: Administration, Municipal Court, Planning, Zoning, Building

Public Safety: Police (including animal control), Fire

Public Works: Streets and Roads, Sanitation

Parks and Public Property: Parks, Recreation, & Facility Maintenance

CITY OF SOUTH JORDAN
General Fund Revenues and Other Financing Sources by Source
Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Inter- Governmental	Charges for Services	Fines and Forfeitures	Misc.	Total
1995	\$ 2,031,048	\$ 758,763	\$ 217,554	\$ 691,665	\$ 211,434	\$ 222,288	\$ 4,132,752
1996	2,511,625	1,565,321	324,402	1,061,983	214,964	214,044	5,892,339
1997	3,772,434	811,844	401,474	850,907	246,329	428,854	6,511,842
1998	3,707,116	791,779	317,478	927,092	336,574	305,161	6,385,200
1999	4,375,105	726,177	354,703	878,984	436,660	290,006	7,061,635
2000	4,503,168	828,377	463,884	918,458	547,130	424,395	7,685,412
2001	5,862,742	876,840	556,577	1,379,403	774,254	573,806	10,023,622
2002	6,964,293	965,870	1,221,144	2,104,863	889,392	252,555	12,398,117
2003	7,103,170	1,348,514	1,260,459	3,844,111	1,006,452	967,668	15,530,374
2004	8,118,658	1,790,661	1,654,190	2,593,834	987,405	188,923	15,333,671

CITY OF SOUTH JORDAN
Tax Revenue by Source - General Fund
Last Ten Fiscal Years

Fiscal Year	General Property Taxes (a)	Sales Tax	Energy Sales & Use Tax	Cell Phone Tax	Total Tax Revenue
1995	\$ 1,026,679	\$ 1,004,369	\$ -	\$ -	\$ 2,031,048
1996	1,267,927	1,243,698	-	-	2,511,625
1997	1,498,674	1,441,361	832,399	-	3,772,434
1998	1,638,662	1,618,454	450,000	-	3,707,116
1999	1,882,116	1,928,777	564,212	-	4,375,105
2000	1,735,505	2,155,588	612,075	-	4,503,168
2001	2,333,098	2,618,546	849,905	61,193	5,862,742
2002	2,699,315	2,950,625	1,173,223	141,130	6,964,293
2003	2,885,846	2,843,808	1,210,835	162,681	7,103,170
2004	3,241,086	3,255,045	1,434,575	187,952	8,118,658

- (a) Includes taxes on real property, personal property, motor vehicle taxes and penalty, and interest on property taxes.

CITY OF SOUTH JORDAN

Ratio of Water Fund Contributions to General Fund to Total General Fund Revenues Last Ten Fiscal Years

Fiscal Year	Total General Fund Revenues	Contributions from Water Fund	Ratio of Water Fund Contributions to Total General Fund Revenue
1995	\$ 3,650,328	\$ -	0.0000
1996	5,892,339	-	0.0000
1997	6,511,842	10,000	0.0015
1998	6,385,200	-	0.0000
1999	6,977,987	68,000	0.0097
2000	7,685,414	-	0.0000
2001	10,023,622	-	0.0000
2002	12,398,117	-	0.0000
2003	15,530,374	-	0.0000
2004	15,333,671	-	0.0000

CITY OF SOUTH JORDAN

Assessed Valuation/Taxable Value Tax Levies/Tax Rates, Tax Collection Experience Last Ten Fiscal Years

Fiscal Year	Assessed Valuation/Taxable Value	Mill Levy/Tax Rate			Collection Experience		
		General Purpose	Bond Sinking Fund	Total	Assessed	Collected	Percent
1994	\$ 288,198,479	0.002189	-	0.002189	\$ 577,111	\$ 527,941	91.48%
1995	363,104,828	0.002217	-	0.002217	782,272	760,212	97.18%
1996	687,043,266	0.001755	-	0.001755	992,480	816,910	82.31%
1997	693,953,917	0.001736	-	0.001736	1,204,704	1,203,379	99.89%
1998	772,377,656	0.001647	-	0.001647	1,272,106	1,199,073	94.26%
1999	899,426,347	0.001670	-	0.001670	1,502,042	1,643,973	109.45%
2000	999,355,309	0.001714	-	0.001714	1,712,895	1,479,746	86.39%
2001	1,130,758,991	0.001863	-	0.001863	2,106,604	2,069,945	98.26%
2002	1,265,268,767	0.001950	-	0.001950	2,535,599	2,356,705	92.94%
2003	1,413,255,451	0.001933	-	0.001933	2,755,848	2,507,262	90.98%
2004	1,538,457,838	0.001874	-	0.001874	2,973,839	2,859,643	96.16%

CITY OF SOUTH JORDAN

Property Tax Rates - All Overlapping Governments (Per \$1 of assessed Value for Mill Levy)

Fiscal Year	South Jordan City	Jordan School District	Salt Lake Library	Salt Lake County	Mosquito Abatement	Central Utah Water Conservancy District
1995	0.002217	0.009706	0.000780	0.004396	0.000017	0.000365
1996	0.001755	0.007262	0.000669	0.003796	0.000015	0.000349
1997	0.001736	0.006392	0.000647	0.003748	0.000014	0.000342
1998	0.001647	0.006504	0.000608	0.003551	0.000013	0.000400
1999	0.001670	0.006561	0.000607	0.002805	0.000013	0.000397
2000	0.001714	0.007582	0.000610	0.003024	0.000013	0.000396
2001	0.001863	0.008845	0.000583	0.002904	0.000012	0.000377
2002	0.001950	0.008344	0.000744	0.002935	0.000017	0.000358
2003	0.001933	0.008366	0.000747	0.002868	0.000034	0.000358
2004	0.001874	0.008856	0.000733	0.002816	0.000033	0.000353

Fiscal Year	Hansen Planetarium	Salt Lake County Sewer District #1	Jordan Valley Water Conservancy District	Crescent Cemetary	Total
1994	0.000040	0.001242	0.000400		0.018796
1995	0.000040	0.001213	0.000396		0.019130
1996	0.000035	0.000911	0.000333		0.015125
1997	0.000034	0.000858	0.000321		0.014092
1998	(a)	0.000756	0.000400		0.013879
1999	(a)	0.000627	0.000403		0.013083
2000	(a)	0.000631	0.000400		0.014370
2001	(a)	0.000591	0.000400		0.015575
2002	(a)	0.000560	0.000392		0.015300
2003	(a)	0.000515	0.000397		0.015218
2004	(a)	0.000515	0.000392	0.000065	0.015637

Source: Salt Lake County Auditor's Office

(a) 1997 Forward - Hansen Planetarium put in with the General Fund.

CITY OF SOUTH JORDAN
Special Assessment Billings and Collections
Last Ten Fiscal Years

Fiscal Year	Special Assessment Billings	Special Assessment Collected
1995	\$ 32,918	\$ 76,230
1996	34,215	22,527
1997	30,082	25,663
1998	26,806	32,748
1999	15,658	22,705
2000	15,658	6,798
2001	-	-
2002	-	-
2003	-	-
2004	577,919	577,919

CITY OF SOUTH JORDAN

Ratio of Net General Bonded Debt to Assessed Valuation and General Bonded Debt per Capita Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Net General Bonded Debt Per Capita
1994	21,000	\$ 288,198,479	\$ 475,000	0.16%	22.62
1995	24,000	363,104,828	440,000	0.12%	18.33
1996	25,000	687,043,266	400,000	0.06%	16.00
1997	27,000	712,215,236	355,000	0.05%	13.15
1998	28,000	828,579,235	305,000	0.04%	10.89
1999	28,599	931,424,186	250,000	0.03%	8.74
2000	29,437	999,355,309	195,000	0.02%	6.62
2001	31,270	1,130,758,991	135,000	0.01%	4.32
2002	34,374	1,265,268,767	70,000	0.01%	2.04
2003	36,162	1,413,255,451	-	0.00%	-
2004	39,500	1,538,457,838	-	0.00%	-

CITY OF SOUTH JORDAN

Computation of Legal Debt Margin

June 30, 004

General Purposes:

Reasonal Fair Cash Value *	\$	2,409,472,779	
Debt limit, 4% of market value **			\$ 96,378,911
Amount of debt applicable to debt limit			-
Legal debt margin - general purposes			<u>96,378,911</u>

Water, Sewer, Lighting:

Reasonal Fair Cash Value *	2,409,472,779	
Debt limit, 8% of market value **		192,757,822
Amount of debt applicable to debt limit		-
Legal debt margin - water, sewer, lighting		<u>192,757,822</u>

Total Legal debt margin for all types	\$	<u>289,136,733</u>
---------------------------------------	----	--------------------

Source: Salt Lake County Auditor's Office

* Estimated value based on data from Salt Lake County Auditor's Office

** Debt margin applies to general obligation bonds. Market value is used to determine legal debt limit. See Utah Constitution, Sec 14, Paragraph 4.

CITY OF SOUTH JORDAN
 Computation of Direct and Overlapping Debt
 June 30, 2004

Government Entity	Net Debt Outstanding	Percentage Applicable to the City of South Jordan	City of South Jordan's Portion of Debt
City Of South Jordan	\$ -	100.00%	\$ -
Salt Lake County	105,885,000	3.10%	3,282,435
Jordan School District	181,965,000	9.20%	16,740,780
Salt Lake County Sewer District	1,430,000	24.61%	351,923
Central Utah Water Cons. District	394,316,320	2.21%	8,714,391
Total	<u>\$ 683,596,320</u>	<u>4.26%</u>	<u>\$ 29,089,529</u>

CITY OF SOUTH JORDAN
General Obligation Bond Coverage with Enterprise Fund
Last Ten Fiscal Years

Fiscal Year	Revenues	Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
1995	\$ 2,903,930	\$ 1,779,498	\$ 1,124,432	\$ 35,000	\$ 27,886	\$ 62,886	17.88
1996	3,191,386	2,361,647	829,739	40,000	24,708	64,708	12.82
1997	3,725,728	3,141,116	584,612	45,000	22,318	67,318	8.68
1998	3,631,369	2,762,823	868,546	50,000	20,275	70,275	12.36
1999	3,467,093	2,805,205	661,888	55,000	15,858	70,858	9.34
2000	3,810,904	3,432,036	378,868	55,000	21,560	76,560	4.95
2001	4,191,804	3,827,386	364,418	60,000	10,920	70,920	5.14
2002	5,165,822	4,357,145	808,677	65,000	7,560	72,560	11.14
2003	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2004	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: As of 2003 the City did not have any General Obligation Debt

CITY OF SOUTH JORDAN

Demographics Statistics

June 30, 2004

Census Population Statistics

Year	Population
1950	1,048
1960	1,354
1970	2,942
1980	7,335
1990	12,220
2000	29,437
2004	39,500

* General Population Characteristics 2000

Age:	<u>Under 5</u>	<u>18 & over</u>	<u>21 & over</u>	<u>15-19</u>	<u>20-24</u>	<u>25-34</u>	<u>35-44</u>	<u>45-54</u>
	2,473	17,888	16,194	3,631	1,864	3,113	4,866	3,676
	<u>55-59</u>	<u>60-64</u>	<u>65-74</u>	<u>75-84</u>	<u>85 & older</u>			<u>Median Age</u>
	1,089	670	796	472	119			25.3

Race:	<u>White</u>	<u>Black</u>	<u>American Indian and Alaskan Aleut</u>	<u>Asian and Pacific Islander</u>	<u>Hispanic or Latino</u>	<u>Other</u>
	28,115	88	30	438	962	766

#	Income:	<u>Per Capita</u>	<u>Median per Tax Return</u>	<u>Median Family</u>
		\$20,938	\$70,772	\$76,809

Total Occupied Housing Units:	7,507
Total Vacant Housing Units:	214

Homeowners:	89.70%
Renters:	10.30%

Persons per Dwelling Unit:	3.92
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* 2000 Census

2003 Utah Tax Commission Data

CITY OF SOUTH JORDAN
Property Value, Construction, and Bank Deposits
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Property Value (A)</u>	<u>Construction (B)</u>	<u>Bank Deposits (C)</u>
1995	\$ 363,104,828	\$ 103,259,025	N/A
1996	687,043,266	57,417,600	N/A
1997	694,708,489	82,078,616	N/A
1998	817,094,057	73,436,510	N/A
1999	899,426,173	66,716,230	N/A
2000	999,355,560	74,347,712	N/A
2001	1,130,758,991	75,415,442	N/A
2002	1,265,268,767	79,415,515	N/A
2003	1,413,255,451	104,915,862	N/A
2004	1,538,457,838	183,478,108	N/A

- (A) Estimated historical cost based on data from the Salt Lake County Assessor
- (B) Based on building permits issued by the City Building Department
- (C) Utah is a branch banking state, and deposit information is available only on a statewide basis

CITY OF SOUTH JORDAN
Number of Building Permits and Construction Value
Last Ten Fiscal Years

Fiscal Year	Commercial		Residential		Other		Total	
	Permits	Value	Permits	Value	Permits	Value	Permits	Value
1995	8	\$ 2,432,600	390	\$ 53,424,000	118	\$ 1,588,942	516	\$ 57,445,542
1996	11	5,529,700	472	61,334,700	63	553,750	546	67,418,150
1997	19	11,405,700	429	68,089,400	179	2,583,516	627	82,078,616
1998	20	12,426,850	432	55,850,100	211	5,159,560	663	73,436,510
1999	21	12,087,800	381	51,201,740	163	3,426,690	565	66,716,230
2000	66	28,000,247	354	43,679,450	293	2,668,015	713	74,347,712
2001	78	30,408,142	327	42,327,500	247	2,679,800	652	75,415,442
2002	61	16,596,300	462	60,057,100	319	2,762,115	842	79,415,515
2003	56	13,089,637	622	85,745,000	406	6,081,225	1084	104,915,862
2004	71	30,330,587	832	142,182,000	477	10,965,521	1380	183,478,108

Source: The City of South Jordan Building Department

CITY OF SOUTH JORDAN

Total Retail Sales Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Total Retail Sales in South Jordan</u>
1995	\$ 31,357,188
1996	59,446,500
1997	67,886,497
1998	62,030,437
1999	66,144,015
2000	77,635,326
2001	89,491,203
2002	98,708,472
2003	156,304,624
2004	201,631,370

Source: Utah State Tax Commission

* Fiscal Year 1995 retail sales for South Jordan were unavailable from the USTC. The figure shown is an estimate.

CITY OF SOUTH JORDAN

Ten Largest Property Tax Payers

June 30, 2004

Taxpayer	Type	Assessed Value	Percentage of Total Assessed Valuation
Sterling Village, L.C.	Multiple Residential	\$ 26,917,000	1.02%
OM Enterprises	Multiple Property	26,452,400	1.00%
High Uinta Investment Properties	Office Developer	24,378,500	0.92%
106th South Business Park	Office Developer	22,476,500	0.85%
D E F Properties LLC	Multiple Property	10,702,560	0.41%
Legacy Plaza, L.L.C.	Multi Residential	10,592,380	0.40%
E&H Investments, L.L.C.	Tele-Marketing	10,472,600	0.40%
MM (UT) PRS	Medical Supplies	10,076,500	0.38%
Legacy Retirement Center, L.L.C.	Residential Home Bldr	9,422,900	0.36%
Darwin Datwyler	Multiple Property	8,822,400	0.33%

Total Assessed value \$ 2,636,840,848

Source: Salt Lake County Assessors Office.

CITY OF SOUTH JORDAN

Miscellaneous Statistics

June 30, 2004

Fire Protection:

Number of Stations	2
Number of Full-time Employees	35
Number of Volunteer (Part-time) Firefighters	0

Police Protection:

Number of Sworn Officers	42
Number of Other Employees	7
Number of Vehicular Patrol Units	41

Recreation:

Number of Developed Parks	16
Number of Developed Park Acres	260
Number of Planned, Future Parks	1
Number of Tennis Courts	7
Number of Horse Arenas	1
Number of Linear Feet of Park Strip	232,320

Education:

Number of High Schools	1
Number of Middle Schools	2
Number of Elementary Schools	5

Water and Garbage Enterprises:

Number of Culinary Water Connections	9,790
Number of Secondary Water Connections	2,802
Number of Garbage Users	9,050

Street Lights:

Number of Street Lights	2,150
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City Employees:

Number of Full-time Employees	227
Number of Part-time Employees	60

Election:

Number of Registered Voters	19,306
Number of Votes Cast in Last General Election - 2001	15,754
Number of Votes Cast in Last Municipal Election - 2000	1,882
Percentage of Registered Voting in Last General Election - 2001	82%
Percentage of Registered Voting in Last Municipal Election - 2000	10%

Municipal Government:

Date of Incorporation	11/08/1935
Area in Square Miles	21.8
Miles in Streets	177.34
Miles in Storm Drains	77.9
Miles in Culinary Water Lines	186.9
Miles in Irrigation Water Lines	86.4

Principal Employers:

Convergys	1600
Jordan School District Office	897
Ultradent	680
Merit Medical	850
City of South Jordan	287
Altius Health Plans	170
Harmons	120
Ikon Office Solutions	100
Smith's Food & Drug Center	75

CITY OF SOUTH JORDAN

Schedule of Insurance in Force

June 30, 2004

Name of Company	Type Of Coverage	Policy Number	Policy Period	Details of Coverage	Liability Limit (in Thousands)	Premium
URMMA	Comprehensive and General Liability Auto Coverage	Joint Protection Agreement	Indefinite	Auto Physical Damage Auto Bodily Damage Property Damage General Liability Personal Injury Liability Error & Omission Liability Uninsured Motorist	N/A 5,000 100/100 10,000 10,000 10,000 20/40	
URMMA		Joint Protection Agreement	Indefinite	General Liability Property Damage		
Cincinnati Insurance	City Manager/CEO	8455456	July, 2005	Public Officials Bond	1,000	1,100
Cincinnati Insurance	Treasurer/CFO	8455455	July, 2005	Public Officials Bond	1,000	1,100
Old Republic Ins	Notary Public Bond	PMP 5041	Sept, 2006	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP 6473	Oct, 2008	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP6455	Oct, 2005	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP 6449	Sept, 2008	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP 6384	Mar, 2008	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP 4536	Apr, 2005	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP 4619	Jun, 2005	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP 6385	Mar, 2008	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP 6378	Mar, 2008	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP 6376	Mar, 2008	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP 6375	Mar, 2008	Notary	5	50
Old Republic Ins	Notary Public Bond	PMP 4724	Nov, 2005	Notary	5	50
Hartford Fire	Public Employee Bond	34BPEAW0369	July, 2005	Blanket Bond	100	1,475
Chubb Group	Off Duty Vehicles (45 Positions)	74969965	July, 2005		1,000	10,400
Hartford Steam Boiler	Equipment Breakdown	FBP2226704	July, 2005		50,000	3,931
Chubb Group	Commercial Package	35833430	July, 2005	Blanket Property Building Ordinance or Law Data Processing Equipmt Mobile Equipment Earthquake Coverage Ded -50,000 - mulligans	17,950 Inc Inc Inc 300	17,502
Chubb Group	Emergency Vehicles			Over \$50,000, 2,500 ded Auto Physical Damage 98 vehicles -Comprehinsive Deductible \$500 -Collision Deductible \$500 Hired Auto Physical Damage at \$500 Deductible Comprehensive/Collision	2,576	66,402

Total premium for all coverage

\$ 102,510

CITY OF SOUTH JORDAN

Surety Bonds of Principal Officers June 30, 2004

<u>Name of Official</u>	<u>Title</u>	<u>Amount of Bond</u>
William Kent Money	Mayor	\$ 25,000
David W. Colton	Council Member	25,000
Ann Gayheart	Council Member	25,000
Bradley G. Marlor	Council Member	25,000
Mary Wenner	Council Member	25,000
Leona Winger	Council Member	25,000
Ricky A. Horst	City Manager	1,000,000
Larry N. Ipson	City Treasurer	1,000,000

City of South Jordan

Impact Fee Analysis

June 30, 2004

Description	Storm Drain	Roads & Bridges	Parks	Police	Fire	Culinary Water	Secondary Water
Beginning Balance	\$ 1,127,101	\$ 765,904	\$ 2,187,427	\$ 69,680	\$ 88,498	\$ 344,180	\$ 273,217
<u>Revenues</u>							
Previous Imact Fees							
Section I Impact Fees							
Section II Impact Fees							
Section III Impact Fees							
City Wide Impact Fees	691,616	1,267,628	2,841,868	114,824	235,218	1,496,974	3,246
Total Revenues	1,818,717	2,033,532	5,029,295	184,504	323,716	1,841,154	276,463
<u>Expenditures</u>							
Previous Fee Expend.							
Section I Expenditures							
Section II Expenditures							
Section III Expenditures							
City Wide Expenditures	432,305	2,033,532	1,435,917	181,065	93,674	1,353,956	89,125
Total Expenditures	432,305	2,033,532	1,435,917	181,065	93,674	1,353,956	89,125
Ending Balance	\$ 1,386,412	\$ -	\$ 3,593,377	\$ 3,439	\$ 230,042	\$ 487,198	\$ 187,338

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**INTERNAL CONTROL
AND
COMPLIANCE REPORTS**



SOUTH JORDAN

U T A H

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GILBERT & STEWART

CERTIFIED PUBLIC ACCOUNTANTS
A PROFESSIONAL CORPORATION

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and City Council
City of South Jordan
South Jordan, UT

December 4, 2004

We have audited the financial statements of City of South Jordan as of and for the year ended June 30, 2004, and have issued our report thereon dated December 4, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of South Jordan's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of South Jordan's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of management, Utah State Auditor and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



GILBERT & STEWART
Certified Public Accountants

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**INDEPENDENT AUDITOR'S REPORT
ON LEGAL COMPLIANCE WITH APPLICABLE
UTAH STATE LAWS AND REGULATIONS**

Honorable Mayor and City Council
City of South Jordan
South Jordan, UT

December 4, 2004

We have audited the general purpose financial statements of the City of South Jordan for the year ended June 30, 2004, and have issued our report thereon dated December 4, 2004. As part of our audit, we have audited City of South Jordan's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; special tests and provisions applicable to each of its major state assistance programs as required by the State of Utah's Legal Compliance Audit Guide for the ed June 30, 2004. The City received the following major state assistance programs from the State of Utah:

Class "C" Road Funds (Department of Transportation)
Liquor Funds (Utah State Tax Commission)

The City also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to test work as part of the audit of the City of South Jordan's financial statements.)

Library Service Development (State Library)
Emergency Medical Services (Department of Health)
Historical Grant (Department of Community & Economic Development)

Our audit also included test work on the City's compliance with those general compliance requirements identified in the Compliance Manual for Audits of Local Governments in Utah including:

Public Debt	Justice Courts
Cash Management	B & C Road Funds
Purchasing Requirements	Special Districts
Budgetary Compliance	Other Compliance Requirements
Property Tax	Department of Commerce - Building Permits
Liquor Law Enforcement	Impact Fees
Asset Forfeiture	

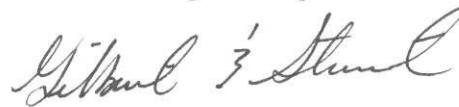
The management of the City of South Jordan is responsible for the City's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, the City of South Jordan complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended June 30, 2004.

This report is intended solely for the information of management and Utah State Auditor, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script, appearing to read "Gilbert & Stewart", written in dark ink.

GILBERT & STEWART
Certified Public Accountants